

**Original citation:**

Hughes, Christopher W.. (2016) Japan's 'resentful realism' and balancing China's rise. The Chinese Journal of International Politics, 9 (2). pp. 109-150.

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# Japan's "Resentful Realism" and Balancing China's Rise

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## Abstract

Japan has been regarded by all mainstream International Relations theories as a *status quo* power intent on pursuing an immobilist international strategy toward China characterized by hedging rather than any move to active balancing. This paper challenges these assumptions and asks whether Japan will, or indeed already is, moving toward active balancing. The paper does so by reinterpreting the very assumptions of those theoretical perspectives that predict only hedging and by drawing on fresh empirical evidence. It argues that the conditions that are thought to encourage hedging behavior—the predictability of other states' intentions, the malleability of intentions through engagement, domestic preferences that obviate balancing, and a favorable offense-defense balance—are now deteriorating in the case of Japan's strategy toward China. Japanese policy-makers over the last decade have experienced an accelerated decline in their confidence to read China's intentions and to mold these, to the point that China is now regarded as an increasingly malign actor. Japan's own domestic regime change, paralleling that of China, has released Revisionist forces that favor the cessation of the "underbalancing" of China. Very significantly, Japanese policy-makers' faith is eroding in the ability to maintain defensive superiority over China, either through its own internal capabilities or the U.S.-Japan alliance. The consequence is that the evidence is now mounting of Japan shifting toward active "soft" and incipient "hard" balancing of China through a policy of the active "encirclement" of China diplomatically, the build-up of Japanese national military capabilities aimed to counter China's access denial and power projection, and the strengthening of the U.S.-Japan alliance. This shift has become particularly evident following the 2010 trawler incident and the return to power of Prime Minister Abe Shinzō in 2012. The consequences of Japan's shifting strategy are yet as not entirely clear. Japan may be moving toward a form of "Resentful Realism" that does not add to a new equilibrium to regional security but is actually more destabilizing and poses risk for China and the U.S., especially as Japan's own security intentions become more opaque. In turn, these conclusions invite a reconsideration of the comfortable theoretical consensus on Japan as an eternal *status quo* power, and encourage Constructivism, Neoliberalism, but especially Neorealism, to be bolder in their assertions about the probability and degree of radicalism in Japan's security trajectory.

## Japan as an Incipient Balancer vis-à-vis China's Rise?

Might Japan's international strategy shift radically, or indeed is it already beginning to shift radically, in response to China's rise? How might such a shift impact long-term on Sino-Japanese security relations and U.S.-led attempts to "rebalance" the regional security order? Might Japanese "Revisionist" governments even actively and overtly balance against China? Japan clearly maintains a fundamental interest in the rise of China, possible associated disturbances in the overall international system and East Asian regional order, and most especially the prospect of U.S. unipolarity being

displaced by a new multipolarity, or even China eventually challenging for its own hegemonic dominance.<sup>1</sup>

Japan's vital interest in these developments is, of course, intensified all the further by its close geographical proximity to China and interdependence of political, economic and security interests; and by its position in the post-war period as essentially a "*status quo*" power supportive of the continuation of U.S.-led international order and bound to the U.S. through an increasingly deepening alliance relationship. The expectation should be that any shifts in the U.S.-led international and regional systems in which Japan has been so firmly embedded, and as precipitated by China, should pose questions about the precipitation of a similar counter-reaction from Japan. The more radical the impact of China on the regional order, then the more proportionately radical Japan's response might be. Japan may choose to channel its response via the U.S.-Japan alliance and this may bolster the U.S. security presence in the Asia-Pacific. Alternatively, if Chinese hegemony is truly perceived as on the cards, then this might be considered as necessitating Japan to initiate a counter-hegemonic strategy in conjunction with or separate from the U.S.—all with potential ramifications for stability as the two largest East Asian states contend over the shape of the regional security order.

Thus far, however, Japan's reaction to China's rise has been regarded—so the public argument goes for the majority of Japanese and U.S. policy-makers and

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<sup>1</sup> For an excellent overview of the arguments on China's rise and the prospects for the displacement of U.S. hegemony, see Thomas J. Christensen, *The China Challenge: Shaping the Choices of a Rising Power* (New York: Norton and Company, 2015), pp. 63-94.

commentators—to be highly restrained and to demonstrate no fundamental change in Japanese international strategy.<sup>2</sup> Japanese policy-makers, such as current Prime Minister Abe Shinzō, even as they work to revise national security strategies and military capabilities to guard against China’s rise—the Abe government most notably in September 2015 passing extensive legislation to overturn the sixty year old-ban on the exercise of collective self-defense to expand the range of military support for the US-Japan alliance—utilize language to describe strategy, such as a “Proactive Contribution to Peace” (*sekkyoku-teki heiwashugi*), in order to stress essential continuity with the demilitarized post-war past rather than change.

Abe in National Diet policy speeches has argued that “the peaceful rise of China offers a great opportunity for Japan as well as for the international community. Under the principle of a ‘Mutually Beneficial Relationship Based on Common Strategic Interests’

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<sup>2</sup> Reinhard Drifte, *Japan’s Security Relations with China Since 1989: From Balancing to Bandwagoning?* (London: Routledge, 2003); Mike M. Mochizuki, ‘China-Japan Relations: Downward Spiral or a New Equilibrium?’, in David Shambaugh, ed., *Power Shift: China and Asia’s New Dynamics* (Berkeley, California: University of California Press, 2005), pp. 135-150; David C. Kang, *China Rising: Peace, Power and Order in East Asia* (New York: Columbia University Press, 2007), pp. 154-182, 199; James Manicom and Andrew O’Neil, ‘Sino-Japanese Strategic Relations: Will Rivalry Lead to Confrontation?’, *Australian Journal of International Affairs*, Vol. 63, No. 2, 2009, pp. 213-232; Yoshihide Soeya, ‘A “Normal” Middle Power: Interpreting Changes in Japanese Security Policy in the 1990s and After’, in Yoshihide Soeya, Masayuki Tadakoro, and David A. Welch, eds., *Japan As A ‘Normal’ Country? A Nation in Search of its Place in the World* (Toronto: University of Toronto Press, 2011), pp. 72-97; Aaron L. Friedberg, *A Contest for Supremacy: China, America and the Struggle for Mastery in Asia* (New York: W. W. Norton and Company, 2011), pp. 211-213; Linus Hagström, ‘Rethinking Japan’s China Policy: Japan as an Accommodator in the Rise of China, 1978-2011’, *Journal of East Asian Studies*, Vol. 12, No. 2, 2012, pp. 215-250.

(*senryaku-teki gokei kankei*), we will further strengthen the trend of improving relations”.<sup>3</sup> Japan’s Ministry of Foreign Affairs (MOFA) maintains the official position that, despite various bilateral “differences” over especially territory and maritime security, “Stable Japan-China relations are essential not only to the citizens of both countries, but also to the peace and stability of the Asia-Pacific region as a whole. Accordingly, based on the concept of the ‘Mutually Beneficial Relationship Based on Common Strategic Interests’, the Government of Japan will promote the development of Japan-China relations from a broad perspective through continued dialogues and cooperation at various levels”.<sup>4</sup> Japan’s new National Security Strategy (NSS) of 2013 stressed that even in response to perceived attempts by China to change the *status quo* by coercion in the East and South China Seas, “Japan will urge China to exercise self-restraint and will continue to respond firmly but in a calm manner without escalation”, so claiming that it would not be the power to break the *status quo*.<sup>5</sup> Meanwhile, U.S.-Japan alliance managers and insiders flatly repeat the mantra that Japan remains a disciplined partner in any hedging strategy toward China.<sup>6</sup>

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<sup>3</sup> Prime Minister of Japan, ‘Policy Speech by Prime Minister Shinzo Abe to the 190<sup>th</sup> Session of the Diet’, January 22, 2016, [http://japan.kantei.go.jp/97\\_abe/statement/201601/1215627\\_10999.html](http://japan.kantei.go.jp/97_abe/statement/201601/1215627_10999.html).

<sup>4</sup> Ministry of Foreign Affairs Japan, *Diplomatic Bluebook 2015* (Tokyo: Ministry of Foreign Affairs Japan, 2015), p. 52.

<sup>5</sup> Cabinet Office Japan, *National Security Strategy*, December 17, 2013, <http://www.cas.go.jp/jp/siryou/131217anzenhoshou/nss-e.pdf>, p. 25.

<sup>6</sup> Richard L. Armitage and Joseph S. Nye, *The US-Japan Alliance: Anchoring Stability in Asia*, Center for Strategic and International Studies, Washington D.C., August 2012, [http://csis.org/files/publication/120810\\_Armitage\\_USJapanAlliance\\_Web.pdf](http://csis.org/files/publication/120810_Armitage_USJapanAlliance_Web.pdf), pp. 8-10.

From the perspective of Neorealism, many analysts agree that Japan as yet has failed to react to the changing international structure and to display either significant balancing, or less probable bandwagoning behavior, vis-à-vis China's rise. Japan's apparent lack of a balancing impulse appears to defy the conventional Neorealist predictions of state behavior and to continue to fulfill its characterization as a "structural anomaly".<sup>7</sup> In the absence of a compelling Neorealist analysis, in recent years much of the explanation of Japan's international relations has lapsed into Constructivist perspectives, which have stressed the primacy of deep-rooted domestic anti-militaristic norms and principles over international structural pressures.<sup>8</sup> For the Constructivist take on Japan, therefore, the emphasis has been on continuity and stasis in Japan's international strategy, even to the point that its security policy has been claimed as akin to an "immovable object".<sup>9</sup> Meanwhile, although Neoliberal Institutionalism has been more marginal as a distinct perspective applied to Japan, especially given the dominance of Constructivism and its "positive" norms of anti-militarism that offer crossover with key tenets of Liberalism-type outcomes, it too has

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<sup>7</sup> Kenneth A. Waltz, 'The Emerging Structure of International Politics', *International Security*, Vol. 18, No. 2, 1993, pp. 44-79.

<sup>8</sup> Peter J. Katzenstein and Nobuo Okawara, 'Japan's National Security: Structures, Norms, and Policies', *International Security*, Vol. 17, No. 4, 1993, pp. 84-118; Thomas U. Berger, *Cultures of Antimilitarism: National Security in Germany and Japan* (Baltimore, MA: Johns Hopkins University Press, 1998); Andrew L. Oros, *Normalizing Japan: Politics, Identity, and the Evolution of Security Practice* (Stanford, California: Stanford University Press, 2008).

<sup>9</sup> Richard H. Friman, Peter J. Katzenstein, David Leheny, and Nobuo Okawara, 'Immovable Object? Japan's Security Policy in East Asia', in Peter J. Katzenstein and Takashi Shiraishi, eds., *Beyond Japan: The Dynamics of East Asian Regionalism* (Ithaca, New York: Cornell University Press, 2006), pp. 85-107.

emphasized continuity in Japanese international strategy, or “Cautious Liberalism”, marked again by a lack of impulse to pursue balancing.<sup>10</sup>

In the midst of this Constructivist stranglehold on the study of Japan’s international and security orientation, the best traction that Neorealism and its variants has been able to gain on the debate has been to introduce explanations that essentially corroborate the consensus on Japan’s lack of propensity to diverge from its post-war security stance and to avoid active balancing. Japan has been evaluated as pursuing various “Realist”-oriented strategies to respond to China’s rise, such as a Japanese-specific variant of “Defensive Realism”, which sees Japan concentrating on “homeland defense” through the acquisition of “defensive” weaponry and the eschewing of broader international security objectives outside its own territory that would involve influencing the balance of power.<sup>11</sup> Japan has also been categorized as pursuing a “buck-passing” strategy and essentially passive reliance on the U.S. to cope with China’s rise.<sup>12</sup>

More prevalently, Japan has been viewed as moving toward a strategy of “Reluctant Realism”, with a gradualistic propensity to work with its U.S. ally to meet common

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<sup>10</sup> Thomas U. Berger, ‘Japan’s International Relations: The Political and Security Dimensions’, in Samuel S. Kim, ed., *The International Relations of Northeast Asia* (New York: Rowman and Littlefield, 2004), pp. 101-134.

<sup>11</sup> Paul Midford, *Rethinking Japanese Public Opinion and Security: From Pacifism to Realism?* (Stanford: Stanford University Press, 2011).

<sup>12</sup> Jennifer Lind, ‘Pacifism or Passing the Buck? Testing Theories of Japanese Security Policy’, *International Security*, Vol. 29, No. 1, 2004, pp. 92-121.

security challenges.<sup>13</sup> “Reluctant Realism” is perhaps the view that edges closest to suggesting Japan might look cautiously to balance China, but in all these variants of Neorealism/Realism, Japan is regarded as largely passive in seeking to respond to China’s rise, and only likely to balance via the mechanism of the U.S.-Japan alliance and never individually. In fact, most Neorealist/Realist views settle on the argument that at the very most Japan is set to hedge rather than balance against China’s rise, or in one important formulation: “cooperative engagement with a soft hedge”.<sup>14</sup>

The somewhat curious implicit consensus amongst the supposedly contending perspectives of Neorealism, Constructivism and Liberalism that Japan has been, continues to be, and likely will remain, highly restrained in responding to China’s rise might seem to render redundant any further discussion of a possibly more radical Japanese reaction, including the impulse to more actively balance. Japan’s “Yoshida Doctrine”—classically formulated as a concentration on economic engagement, an “exclusively defense-oriented” security posture, and reliance on the shield of U.S.

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<sup>13</sup> Michael Jonathan Green, ‘Managing Chinese Power: The View from Japan’, in Alastair Iain Johnson and Robert S. Ross, eds., *Engaging China: The Management of an Emerging Power* (London: Routledge, 1999), pp. 159-172; Michael J. Green, *Japan’s Reluctant Realism: Foreign Policy Challenges in an Era of Uncertain Power* (New York: Palgrave, 2001).

<sup>14</sup> Mike M. Mochizuki, ‘Japan’s Shifting Strategy Toward the Rise of China’, *Journal of Strategic Studies*, Vol. 30, No. 4-5, 2007, pp. 739-776; Evelyn Goh, ‘How Japan Matters in the Evolving East Asian Security Order’, *International Affairs*, Vol. 87, No. 4, 2011, pp. 895-896; Michael J. Green, ‘Japan, India and the Strategic Triangle with China’, in Ashley J. Tellis, Travis Tanner and Jessica Keough, eds., *Strategic Asia 2011-12: Asia Responds to its Rising Powers* (Seattle, Washington: National Bureau of Asian Research, 2011), pp. 131-159.



hegemony—would appear to be a highly entrenched grand strategy for Japanese policy-makers.<sup>15</sup>

But in spite of the need to recognize the inevitable continuities and inertia in the pursuit of any grand strategy, alternative analyses have in recent years pointed to the signs that Japan is capable of, and is actually embarking on, a trajectory of radical change in its international strategy, even if this is occurring in such incremental steps as to be almost imperceptible at times to those paradigms that tend to search for more dramatic shifts. Japan's ever-growing flirtation since the early 2000s with "Revisionist" Liberal Democratic Party (LDP) regimes, and to boot a brief-lived Democratic Party of Japan (DPJ) regime, with strong emphases on national defense reform and breaching past anti-militaristic principles to achieve a "normal" security role (or, more straightforwardly put, remilitarization of security policy) coupled with ever-intensifying and seemingly intractable security frictions with China, obliges even the most diehard of Constructivists and Liberals to take stock of whether their *status quo* perspectives can still be reconciled with these increasingly dynamic and long-term developments.<sup>16</sup> Most particularly, the advent since 2012 of Abe Shinzō's arch-revisionist LDP administration and its systematic dismantlement of the post-war

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<sup>15</sup> Sun-Ki Chai, 'Entrenching the Yoshida Doctrine: Three Techniques for Institutionalization', *International Organization*, Vol. 51, No. 3, 1997, pp. 389-412; Richard J. Samuels, *Machiavelli's Children: Leaders and their Legacies in Italy and Japan* (Ithaca, New York: Cornell University Press, 2003), pp. 200-211.

<sup>16</sup> Christopher W. Hughes, *Japan's Reemergence as a 'Normal' Military Power* (Oxford: Oxford University Press, 2004); Christopher W. Hughes, *Japan's Remilitarisation* (London: Routledge, 2009); Jeffrey Hornung, 'With a Left Like This, Who Needs the Right?', *Japan Chair Platform*, February 11, 2011, [http://csis.org/files/publication/110211\\_Hornung.pdf](http://csis.org/files/publication/110211_Hornung.pdf).

constraints on Japan's exercise of military power—including the 2015 breach on ban on the exercise of collective self-defense, in large part in direct reaction to Sino-Japanese tensions over the disputes Senkaku/Diaoyu Islands and maritime security—indicates a Japanese propensity to search for a new grand strategy, including the turning point of an incipient shift to balancing behavior against China.

In turn, even if Constructivism and Liberalism have been slow to recognize and account for these developments, the changing security dynamics within and surrounding Japan have opened up space for Neorealist analysis to consider whether its estimations of a restrained Japanese response to China's rise also remain accurate, and if a shift to balancing might be increasingly apropos to this perspective's basic assumptions about state behavior in a more fluid international system. Neorealist-oriented analyses have thus recently begun to appear which venture to argue that Japan is inching toward balancing against the rise of China.<sup>17</sup> Nonetheless, it is perhaps fair to say that these analyses remain on the margins of the debate and are as yet to decisively challenge the

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<sup>17</sup> John J. Mearsheimer, 'China's Unpeaceful Rise', *Current History*, Vol. 105, No. 690, 2006, pp. 160-162; Robert S. Ross, 'Balance of Power Politics and the Rise of China: Accommodation and Balancing in East Asia', *Security Studies*, vo. 13, no. 3, 2010, pp. 387-389; Jae Ho Chung, 'East Asia Responds to the Rise of China: Patterns and Variations', *Pacific Affairs*, Vol. 82, No. 2, 2009, pp. 657-675; Derek McDougall, 'Responses to "Rising China" in the East Asia Region: Soft balancing with Accommodation', *Journal of Contemporary China*, Vol. 21, No. 73, 2012, pp. 8-9; Bjørn Elias Mikalsen Grønning, 'Japan's Shifting Military Priorities: Counterbalancing China's Rise', *Asian Security*, Vol. 10, No. 1, 2014, pp. 1-21; Jeffrey W. Hornung, 'Japan's Growing Hard Hedge Against China', *Asian Security*, Vol. 10, No. 2, 2014, pp. 97-122; Jeffrey W. Hornung, 'Japan's Pushback of China', *The Washington Quarterly*, Vol. 38, No. 1, 2015, pp. 167-183.

mainstream Neorealism-Constructivism-Liberalism consensus on Japan's lack of propensity to balance China.

They are perhaps hampered in this effort by the tendency to observe the first symptoms of balancing behavior in terms of the build-up of diplomatic and military activities and capabilities but then are less able to follow through with focus and precision on explaining why and when this behavior may actually occur, so depriving their analysis of the necessary theoretical and empirical impetus to overturn the default *status quo* view that very much focuses on why change is improbable. The result is that, despite there being pressing theoretical and empirical indicators suggesting the necessity, avenues for investigation, and the feasibility of such an exercise, there are still no sustained attempts in much of the Japan-centred debate to break down the consensus over the essential immutability of Japan's international strategy and the apparent refusal to consider that it is shifting to balance China.<sup>18</sup>

The consequent objective of this article is to pick up on these emergent arguments that test the current consensus and to engage squarely in an attempt to determine the likelihood of Japan shifting to balance against China, the consequences for Sino-

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<sup>18</sup> Japan's shift to balance China has, though, been observed in Chinese academic literature. For examples of recent analysis that argue Japan is beginning to compete against, balance and even contain China, see: Miao Ji and Li Fujian, 'Strategic Vigilance and Adaptation: Japan's and Australia's Responses to the Rise of China', *Foreign Affairs Review*, No. 1, 2014, pp. 70-89; Wang Shan, 'Shipingxi Anbei Zhengquan "Baituo Zhanhou Tizhi" De Waijiao Jucuo' (A Preliminary Review of the Abe Administration's Diplomatic Initiatives to 'Escape the Postwar Regime'), *Xiandai Guoji Guanxi (Contemporary International Relations)*, No. 9, 2013, pp. 39-43; Zhu Haiyan, 'Riao Guanxi "Tongmenghua" De Xinfazhan Jiqi Qianjing' (New Developments and the Prospect of 'Alliance Orientation' in Japan-Australia Relations), *Xiandai Guoji Guanxi (Contemporary International Relations)*, No. 8, 2014, pp. 44-51; Chen Xin, 'Qianxi Anbei "Zhanlue Waijiao"' (A Brief Analysis of Abe's 'Strategic Diplomacy'), *Xiandai Guoji Guanxi (Contemporary International Relations)*, No. 9, 2014, pp. 15-22; Yang Guanghai, 'Ribei Jieru Nanhai Zhengduan De Xindongxiang Ji Xintedian' (New Directions and Features of Japan's Intervention in the South China Sea Dispute), *Heping yu Fazhan (Peace and Development)*, No. 5, 2015, pp. 96-113; Shi Yongming, 'Cong Diqu Zhixu Goujian Kan Ribei de Xin Anbao Faan' (Examining Japan's New Security Legislation from the Perspective of Regional Order Building), *Heping yu Fazhan (Peace and Development)*, No. 6, 2015, pp. 1-14.

Japanese relations, for Japan's overall international strategy and for East Asian security more widely. The article asks whether it is now possible to credibly envisage, or indeed already observe, a shift from a restrained hedging stance to one more approximating to soft-balancing and incipient "hard balancing". More specifically, the article asks, by revisiting much of the theoretical analysis concerning Japan to date, and in noting the difficulty of challenging the consensus without greater precision on explaining how deviation from the *status quo* will occur, whether it can be discerned under exactly what conditions and when Japan is likely to shift, or is already shifting, toward active balancing.

The paper undertakes this project by considering four sets of key conditions found in extant theory that indicate when a state which has traditionally not pursued balancing behavior then begins to turn to this strategy. These are found in varieties of Neorealism, Neoclassical Realism and to some extent Liberalism, and are, namely: the ability of states to read accurately or otherwise the benign or malign strategic intentions of states that they may then need to balance against; the faith of states in their capacity to mold the intentions of other states in a benign direction; assessments about the changing distribution of offensive versus defensive capabilities that might induce balancing behavior; and the transformation of the domestic policy-making process away from past tendencies for "underbalancing".<sup>19</sup>

This reinvestigation of the existing orthodoxy on Japan's restrained and hedging stance toward China, and the concomitant propensity for Japanese balancing behavior is

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<sup>19</sup> Randall L. Schweller, *Unanswered Threats: Political Constraints on the Balance of Power* (Princeton, NJ: Princeton University Press, 2006).

important in two main ways. First, determining if Japan is likely to move toward balancing, and under what conditions and when, has significant policy implications for regional security. It may reveal the likely intensity of any Japanese balancing behavior, and the impact on Sino-Japanese security relations, as well as on U.S. security strategy in the region and the evolution of the overall regional security order. Japan's repurposing of its strategy toward China and subsequent own potential balancing strategy raises questions for the degree of its conformity with the current U.S. "rebalance" strategy toward the Asia-Pacific. Conversely, in looking to discover the underlying conditions that might precipitate Japanese balancing of China, this investigation should reveal the causes of bilateral tensions and how these might be mitigated or even averted.

Second, an attempt to investigate Japan's propensity for change, characterized by incipient balancing behavior, produces an important contribution to the theoretical debates on Japanese international strategy. As already noted, the tendency of much scholarship on Japan has been to emphasize stasis or general "immobilism" in its security policy, but if the ensuing article can reveal the conditions which will result, or have already resulted, in Japan's shifting from a hedging to a balancing stance, then this will oblige reconsideration of the current Constructivist, Liberal and Neorealist interpretations which at times have bordered on dogma in their holding to a picture of continuity and moderation in Japanese security policy, even in the face of mounting signs of Japanese remilitarization.<sup>20</sup>

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<sup>20</sup> J. A. A. Stockwin, 'Dynamic and Immobilist aspects of Japanese politics', in J. A. A. Stockwin, Alan Rix, Aurelia George, James Horne, Daiichi Ito and Martin Collick, *Dynamic and Immobilist Politics in Japan* (London: Macmillan, 1988), pp. 1-21.

The purpose of this paper is certainly not to suggest that any of these perspectives is theoretically bankrupt, and more to argue for the need for “analytical eclecticism”.<sup>21</sup> But it also argues for an eclecticism or consensual approach that is not stuck in a rut of arguing for continuity when the evidence is patently increasing of change in Japan’s surrounding international structure and domestic policy processes that should generate change in its international and security strategy. This is especially so when the logic of many of these perspectives’ own assumptions indicates the conditions for, and thus is in conformity with, the evidence for the possibility of Japan deviating from its post-war course of international strategy.

The broader conclusion this article drives toward in considering Japan’s propensity for change in international strategy and a shift toward balancing behavior is that Japan is now adopting a posture which might be termed “Resentful Realism”, rather than the more prevalent model of “Reluctant Realism”.<sup>22</sup> Japan, in contrast to Reluctant Realism’s positing of a restrained Japanese security stance closely and largely

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<sup>21</sup> Peter J. Katzenstein and Nobuo Okawara, ‘Japan, Asia-Pacific Security, and the Case for Analytical Eclecticism’, *International Security*, Vol. 26, No. 3, 2001, pp. 153-185; Yasuhiro Izumikawa, ‘Explaining Japanese Antimilitarism: Normative and Realist Constraints on Japan’s Security Policy’, *International Security*, Vol. 35, No. 2, 2010, pp. 123-160.

<sup>22</sup> Christopher W. Hughes, ‘The Democratic Party of Japan’s New (But Failing) Grand Security Strategy: From “Reluctant Realism” to “Resentful Realism”?’ *Journal of Japanese Studies*, Vol. 38, No. 1, 2012, pp. 109-140.

satisfactorily aligned with the U.S., is now flirting with a more unpredictable form of security policy. This Japanese security stance is driven predominantly by concerns about China's rise, and will surely involve to a great extent close alignment with U.S. hedging and balancing strategies toward China. Nonetheless, Japan's "Resentful Realism" is likely at the same time to be characterized by heightened Japanese concerns vis-à-vis not just China but also the robustness of U.S. security guarantees, and especially entrapment and abandonment concerns.

The result is a Japan that will feel obliged to experiment with aspirations for greater international autonomy, and fluctuate between hedging and hard balancing toward China. All of this may make Japan a more "Realist" power ready to balance, but also one that is far less consistent in the execution of balancing strategies. In addition, Japan's "Resentful Realism" will differ from standard Realist balancing impulses because it is likely to acquire a new unpredictability given that it is more emotionally charged with Revisionist sentiments that indeed resent dependence on the U.S. or surpassing by China as being detrimental to national morale and producing in turn strong and uncertain counter-reactions. Thus, contrary to the hopes of many in Japan and the U.S. that have advocated a more "normal" security policy, these changes will actually make Japan a destabilizing rather than stabilizing presence in the regional security landscape. This can only further exacerbate the condition of already precarious Sino-Japanese security relations.

### **Explaining Impulses and Shifts Toward Balancing and Away from Hedging**

If many of the theories already currently applied to explaining Japan's international strategy have concluded that it has adopted a restrained and hedging posture to eschew

overt balancing, it is a logical inverse corollary that these perspectives must provide insights into the conditions and timing for both ceasing to hedge and pivoting toward a balancing strategy. Variants of Neorealism and Liberalism indicate a number of ways in which “secondary states” or “second-tier powers” such as Japan may react to changes in the distribution of capabilities and the international structure—manifested in adjustments to the balance of power, or more drastically systemic power transitions and hegemonic rises and falls—and how these may precipitate reconsiderations of grand strategies.<sup>23</sup>

Offensive Realism presents the default position that states confronting changes in the international structure and disadvantageous movements in relative gains will seek to initiate balancing to restore equilibrium, or, if this is not possible, more rarely bandwagoning behavior.<sup>24</sup> For Offensive Realism, the underlying conditions to precipitate balancing are concerns over disadvantageous movements in relative capabilities and gains, the assumption that security is scarce, and that states must consequently maximize power to overcome these challenges. States will seek to “hard balance” both internally through the build-up of their own national and autonomous military capabilities, and externally through the aggregation of capabilities with alliance and coalition partners, even if this entails attendant risks of entrapment and

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<sup>23</sup> Robert S. Ross, ‘Balance of Power Politics and the Rise of China: Accommodation and Balancing in East Asia’, *Security Studies*, Vol. 13, No. 3, 2010, pp. 355-395.

<sup>24</sup> John, J. Mearsheimer, *The Tragedy of Great Power Politics* (New York: W. W. Norton and Company, 2001).



abandonment imposed by the senior ally.<sup>25</sup> Offensive Realism has also indicated that great powers or secondary states might pursue a “soft balance” against an existing hegemonic or rising power, through agendas designed to diplomatically, economically, and less often militarily, complicate their exercise of dominance.<sup>26</sup>

If Offensive Realism represents the type of position of balancing that states may gravitate toward under certain, and perhaps extreme, conditions, then Defensive Realism, as another variant of Neorealism, indicates the alternative conditions that may pertain for states to pursue more restrained balancing and alternative strategies of hedging. Again, the logical inverse corollary applies that the deterioration or absence of these conditions for refraining from hedging should generate balancing behavior along the lines of Offensive Realism’s predictions.

Defensive Realism argues that states view changes in relative capabilities as less concerning and security less scarce, and thus may undertake less radical balancing behavior, based on several assumptions. First, states in considering the need to balance against capabilities will take into account the variables of geography in enhancing their security, and most importantly the perceived “offense-defense balance” between military technologies, provided either through a state’s internal capabilities or

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<sup>25</sup> Glenn H. Snyder, ‘The Security Dilemma in Alliance Politics’, *World Politics*, Vol. 36, No. 4, 1984, pp. 461-495.

<sup>26</sup> T. V. Paul, ‘Soft Balancing in the Age of US Primacy’, *International Security*, Vol. 30, No. 1, 2005, pp. 46-71; Robert Pape, ‘Soft Balancing against the United States’, *International Security*, Vol. 30, No. 1, 2005, pp. 7-45; Stephen Brooks and William Wohlforth, ‘Hard Times for Soft Balancing’, *International Security*, Vol. 30, No. 1, 2005, pp. 72-108.

externally by an ally, with a defensive superiority tending toward restraining the need for Offensive Realism-type active balancing.<sup>27</sup> Second, states are seen to balance not just capabilities but also threats and intentions.<sup>28</sup> Somewhat surprisingly, despite Defensive Realism's emphasis on the perception of threat as the key trigger for balancing behavior, it has not always been precise or fulsome on defining under what conditions or in line with what "indices" another state's behavior may be perceived as threatening.<sup>29</sup> More recent analysis, though, has begun to pinpoint more exactly these detailed conditions for sensing threats.

States will evaluate the benign or malign intentions of states, judged through a menu of criteria including knowledge of the predictability of and compatibility with other states' political leadership and ideologies; their observation of bilateral agreements and

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<sup>27</sup> Robert Jervis, 'Cooperation Under the Security Dilemma', *World Politics*, Vol. 30, No. 2, 1978, pp.167-214; Jack S. Levy, 'The Offensive/Defensive Balance of Military Technology: A Theoretical and Historical Analysis', *International Studies Quarterly*, Vol. 28, No. 2, 1984, pp. 219-238; Sean M. Lynn-Jones, 'Offense-Defense Theory and its Critics', *Security Studies*, Vol. 4, No. 4, 1995, pp. 660-691; Charles L. Glaser and Chaim Kaufmann, 'What is the Offense-Defense Balance and Can We Measure It?', *International Security*, Vol. 22, No. 4, 1998, pp. 44-82; Stephen Van Evera, 'Offense, Defense, and the Causes of War', *International Security*, Vol. 22, No. 4, 1998, pp. 5-42; Jeffrey W. Taliaferro, 'Seeking Security Under Anarchy: Defensive Realism Revisited', *International Security*, Vol. 25, No. 3, 2000-2001, pp. 136-141; Robert S. Ross, 'The Geography of Peace: East Asia in the Twenty-First Century', *International Security*, Vol. 23, No. 4, 1999, pp. 109-111.

<sup>28</sup> Stephen M. Walt, *The Origins of Alliances* (Ithaca, New York: Cornell University Press, 1990), pp. 17-49.

<sup>29</sup> For early studies in the Defensive Realism tradition to elaborate the indices that impact on the image and thus threat perception of states, see Robert Jervis, *The Logic of Images in International Relations*, (New York: Columbia University Press, 1989).

treaties; their commitment to economic partnerships; and their meaningful cooperative participation in multilateral institutions.<sup>30</sup> In addition, states may evaluate the intentions of other states as benign or malign based on the degree to which they are perceived as malleable and their capacity to influence them through means such as political and economic engagement.<sup>31</sup>

Neoclassical Realism adds to Defensive Realism's analysis of intentions by arguing that states may refrain from balancing, or mistakenly "underbalance" despite strategic needs, due to domestic political conditions. These conditions comprise: elite consensus or fragmentation concerning the nature and response to potential threats; degrees of wider social cohesion in agreeing or dissenting over the nature of the threat and response; and the degree of the legitimacy of the state's government, entailing, according to Neoclassical Realism, a higher degree of legitimacy leading to a higher preparedness to balance robustly.<sup>32</sup>

The presence of these conditions of an offense-defense balance privileging defensive technologies; a reading of other states' intentions as benign and as subject to malleability; and a domestic consensus unfavorable to reading intentions as strictly malign, should thus limit inclinations to actively hard or soft balance, and open up space

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<sup>30</sup> David M. Edelstein, 'Managing Uncertainty: Beliefs about Intentions and the Rise of Great Powers', *Security Studies*, Vol. 12, No. 1, 2002, pp. 10-13; Steve Chan, *Looking for Balance: China, the United States and Power Balancing in East Asia* (Stanford, CA: Stanford University Press, 2012).

<sup>31</sup> Edelstein, 'Managing uncertainty', pp. 13-14.

<sup>32</sup> Schweller, *Unanswered Threats*, pp. 11-12; Randall Schweller, 'Unanswered Threats: a Neoclassical Realist Theory of Underbalancing', *International Security*, Vol. 29, No. 2, 2004, pp. 159-201.

for alternative strategies, or more specifically hedging. Thus, in line with Defensive Realism's assumptions, states may pursue minimalist balancing internally and externally, but also strategies of engagement, or in the case of smaller states "omni-enmeshment" to influence and moderate the behavior of other states to obviate the need for harder balancing.<sup>33</sup>

It is in these engagement strategies that elements of Defensive Realism crossover with strains of Liberal perspectives on state strategies to respond to hegemonic power transitions. For even though Liberalism clearly starts with very different assumptions about state preoccupations with absolute rather than relative gains, it does share similar assumptions that other states' behavior can be influenced through engagement as with Defensive Realism's recognition of the possibilities of hedging to effect state objectives.<sup>34</sup> Indeed, this type of crossover between Defensive Realism and Liberalism in possible scenarios of power transition can be found in the concept of the U.S.'s "Liberal Grand Strategy" as a means to induce rising states such as China to demonstrate their benign intentions, act as "*status quo* powers", and conform to the existing liberal hegemonic order.<sup>35</sup> Liberalism's belief in the utility of engagement to

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<sup>33</sup> Goh, 'Great Powers and Hierarchical Order in Southeast Asia', *International Security*, Vol. 32, No. 3, 2007/2008, pp. 113-157.

<sup>34</sup> David A. Lake, 'Great Power Hierarchies and Strategies in Twenty First Century World Politics', in Walter Carlsnaes, Thomas Risse and Beth A. Simmons, eds., *Handbook of International Relations*, (London: Sage, 2002), pp. 555-579.

<sup>35</sup> G. John Ikenberry, *Liberal Leviathan: The Origins, Crisis and Transformation of the American World Order* (Princeton, New Jersey: Princeton University Press, 2012), pp. 333-360; Barry Buzan, 'China in International Society: Is "Peaceful Rise" Possible?', *The Chinese Journal of International Politics*, Vol.

respond to rising powers corresponds to Defensive Realism's stress on the importance of the comprehensibility and malleability of the intentions of other states, and thus focuses on attempts to shape benign intentions through a number of mechanisms: the promotion of economic interdependence to raise the costs of conflict; seeking to embed other states in regional and multilateral institutions; and supporting the development of pluralistic and liberal values in other states' domestic political systems to promote the conditions for cooperation.

In combination, therefore, Defensive Realism and Liberalism indicate a range of overarching conditions and facilitating sub-conditions—superiority of defensive capabilities, predictability and malleability of other states' intentions, domestic political constraints ill-disposed to balancing, and the believed utility of various engagement mechanisms—that if prevalent enable states to exercise hedging strategies. Conversely, though, if any of these conditions deteriorates or is absent, then it is probable a state may shift gears back to a form of default Offensive Realism and soft and hard balancing.

These conditions and Japan's correspondence to them in the case of China are summarized in Table 1. The next sections of this paper move on to examine the extent to which Japan has in the past and continues to devise its China policy in the presence of these conditions, thus enabling it to maintain a Defensive Realist-Liberal Grand Strategy type of international strategy characterized by hedging, or whether these

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3, 2010, pp. 5-36; Alastair Iain Johnson, 'Is China a *Status Quo* Power?', *International Security*, Vol. 27, No. 4, 2003, pp. 5-56.

conditions are indeed eroding and so obliging Japan to shift more toward a balancing strategy.

**Table: Japan's Degree of Conformity with the Prevalence or Absence of Conditions that Determine the Predilection to Engage, Hedge and Balance vis-à-vis China**

Theoretical paradigm	Overall determining conditions	Facilitating conditions	Cold War and early post-Cold War degree of prevalence/absence	Strategic predilection: engagement/hedging/soft and hard balancing	Later post-Cold War and contemporary period degree of prevalence/absence	Strategic predilection: engagement/hedging/soft and hard balancing
<b>Defensive Realism</b>	Offense-Defense balance favorable	Dominance of national defense capabilities Dominance of national defense capabilities	Prevalent  Prevalent	<b>ENGAGEMENT/ HEDGING</b>	Deteriorating  Deteriorating	<b>SOFT BALANCING/ INCIPIENT HARD BALANCING</b>
	Intentions perceived as benign	Predictability/compatibility of bilateral leaderships and ideologies	Prevalent		Deteriorating/absent	
		Observation of bilateral treaties and agreements	Emerging/Prevalent		Deteriorating	
		Commitment to bilateral economic partnerships	Emerging/Prevalent		Deteriorating	
		Cooperative participation in multilateral frameworks	Emerging		Deteriorating	
	Intentions perceived as malleable toward benignity		Prevalent		Deteriorating/absent	
	Domestic politics disposed to "underbalancing"	Political elites' consensus on potential threats as minimal	Prevalent		Deteriorating/absent	
		Societal consensus on nature of potential threats as minimal	Prevalent		Deteriorating/absent	
<b>Liberalism</b>	Intentions perceived as malleable toward benignity	Economic interdependency outweighing costs of conflict Embedding of relations in cooperative multilateral and regional frameworks Development of complementary political and societal pluralistic values	Prevalent  Emerging  Emerging		Deteriorating  Deteriorating  Deteriorating/absent	

## **Japan's Past Hedging Strategy Toward China**

If Japan's international strategy is evaluated throughout most of the postwar period up until the first decade of the new millennium—and thus at the point when it perhaps received the most sustained analysis and the theoretical orthodoxies were in place that carry over to the present day—it can be said very much to conform to a restrained balancing or hedging stance in response to the emerging transformation of the surrounding regional system. Japan's "Yoshida Doctrine" as grand strategy has in many ways been a classic manifestation of hedging and the "Pragmatist" approach, made possible by a set of conditions conducive to restrained alignment and balancing with U.S. and engagement of a rising China.<sup>36</sup>

### *Reading and Molding China's Intentions*

In terms of Defensive Realism's facilitating conditions, Japan's sense of the need to consider balancing for much of this period was clearly mitigated by the belief that China actually posed little meaningful threat because of its largely benign, or at the very least carefully contained malign, intentions. Japan's political leadership during the Cold War were predominantly preoccupied with the threat from the USSR which was viewed as holding genuinely malign intentions, even stretching to the likelihood of nuclear attack and territorial invasion. By contrast, the majority of Japanese policy-makers generally regarded the Communist Party of China (CCP) as a regime focused on political and economic survival and state-building from prolonged periods of civil war, foreign interventions and confrontations with the USSR and U.S., and one that would prove

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<sup>36</sup> For the "Yoshida Doctrine" as pursued by Japan's strategic "Pragmatists" see, Richard J. Samuels, *Securing Japan: Tokyo's Grand Strategy and the Future of East Asia* (Ithaca, New York: Cornell University Press, 2007), pp. 31-33.



vital to work with for Japan's own economic prosperity in the long run.<sup>37</sup> Instead, rather than domestic policy opinion, the greater complication for Japan's relations with People's Republic of China (PRC) was the U.S.-Japan security treaty, and as the corollary the necessary maintenance of relations with Taiwan and the lack of normalized diplomatic relations with the mainland.<sup>38</sup>

Nevertheless, Japan and China were able throughout much of the Cold War, and especially after U.S.-China rapprochement and the normalization of Sino-Japanese relations in 1972 and the Sino-Japanese Treaty of Peace and Friendship in 1978, to read each other's intentions and to establish a relatively comfortable *modus vivendi*. Japan's political and bureaucratic leaders, if measured against Defensive Realism's criteria for assessing other states' intentions, shared confidence that they maintained sufficiently close personal connections or "pipes" with the CCP to predict state ideology and benign intentions.<sup>39</sup> In particular, the LDP's Tanaka-Takeshita and Ikeda-Miyazawa factions, the former responsible for the normalization of ties, felt they knew China's key leaders well enough to negotiate and defuse any tensions.

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<sup>37</sup> Ming Wan, *Sino-Japanese Relations: Interaction, Logic and Transformation* (Stanford, California: Stanford University Press, 2006), pp. 99-105.

<sup>38</sup> Glenn D. Hook, Julie Gilson, Christopher W. Hughes and Hugo Dobson, *Japan's International Relations: Politics, Economics and Security* (London: Routledge, 2011), pp. 166-168.

<sup>39</sup> Iwanaga Kenkichirō, *Sengo Nihon no Seitō to Gaikō* (Postwar Japanese Political Parties and Diplomacy) (Tokyo: Tokyo Daigaku Shuppankai, 1985); Ming Wan, *Sino-Japanese Relations*: pp. 101-105.

Japanese leaders, just as with the rest of the region, were taken aback by China's internal convulsions during the Great Leap Forward and Cultural Revolution, and were cognizant of the CCP's periodic launching of "people's diplomacy" and domestic anti-Japanese historical sentiment in order to pressure Japan over relations with the U.S. and Taiwan. At the same time, though, Japan's policy-makers were confident that communist and anti-Japanese ideology was subordinated to a pragmatic Chinese need to engage with Japan economically and to assist in building influence against the USSR in the midst of the Sino-Soviet split. Japan and China's leadership were thus able to shelve issues of nationalist contention such as colonial history and territorial disputes.<sup>40</sup> Both sides also enjoyed confidence that the 1972 Joint Communiqué and the Sino-Japanese peace treaty were agreements that worked to establish common principles for interaction, including no explicit references to, and thus no politicization, of history; non-interference; non-aggression; the peaceful resolution of disputes; and the non-pursuit of hegemony by either state.<sup>41</sup>

Moreover, not only did Japanese policy-makers feel that through this "1972 system" of bilateral relations they could gauge China's intentions but they also held a conviction these intentions could be subject to malleability.<sup>42</sup> The CCP was perceived as a regime

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<sup>40</sup> Thomas U. Berger, *War, Guilt, and Politics After World War II* (Cambridge, Cambridge University Press, 2012), pp. 161-164; James Reilly, *Strong Society, Smart State: The Rise of Public Opinion in China's Japan Policy* (New York: Columbia University Press, 2012), pp. 55-97.

<sup>41</sup> Ryōsei Kokubun, 'Changing Japanese Strategic Thought Toward China', in Gilbert Rozman, Kazuhiko Togo and Joseph P. Ferguson, eds., *Japanese Strategic Thought Toward Asia* (New York: Palgrave Macmillan, 2007), pp. 137-158.

<sup>42</sup> Wan, *Sino-Japanese Relations*, pp. 84-86.

utilizing communist ideology to unify China rather than inherently holding to this ideology itself. Japanese policy-makers were particularly encouraged that China could be encouraged to forge closer bilateral ties and reintegrate itself into the regional order following the end of the Cultural Revolution and the installment in power of Deng Xiaoping and the “second generation” of leadership, and the regime’s subsequent concentration on “opening up” and economic reform. Japanese leaders were convinced from the 1980s onwards that they possessed the opportunity and the political but above all economic capacity to influence China’s international strategy through supporting its domestic reformers and economic engagement. Japan’s confidence in the movement toward reform and how this would promote cooperative relations was such that it was even at the forefront of efforts to avoid the international isolation of China following the Tiananmen Square incident in 1989.

### *Domestic Consensus*

Japan’s interest to engage China, and avoid any move toward containment, was reinforced in this period by a general domestic policy consensus. The majority of policy-makers involved in relations with China, including the LDP’s “mainstream” Tanaka-Takeshita and Ikeda-Miyazawa factions and other political parties such as the Kōmeitō (later New Kōmeitō); and MOFA, and especially its then powerful China and Mongolia Division, favored engagement to induce cooperation.<sup>43</sup> For sure, there were more “Revisionist” elements of Japan’s political leadership in the LDP, such as the Kishi (later Machimura, and now Hosoda) faction, that regarded China as a genuine communist threat and source of instability à la the pre-war period, and favored capitalist

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<sup>43</sup> Tanaka Akihiko, *Nicchū Kankei 1945-1990 (Sino-Japanese Relations 1945-1990)* (Tokyo: Tōkyō Daigaku Shuppankai, 1996), pp. 189-207.

Taiwan instead, but these were largely pushed aside by the mainstream of the LDP.<sup>44</sup> Similarly, at the broader societal level, Japanese public opinion in this period maintained a very positive, for some even “romanticized” view, of Sino-Japanese relations, underpinned by a sense of common language and race (*dōbun dōshu*).<sup>45</sup> Just as importantly, the Japanese business community was supportive of engagement, and deeply interested in the emerging trade and investment opportunities in the Chinese market.<sup>46</sup>

Based on this view of the intelligibility and malleability of China’s intentions, Japan attempted to generate benign interaction through a variety of economic engagement mechanisms and its own type of mini-Grand Liberal Strategy. Japan’s government sought to undergird the conditions for economic engagement through its very substantial provision of ODA from 1979 to 2008, totaling between 1979 to 2005 ¥3.13 trillion in loan aid, ¥145.7 billion in grant aid, and ¥144.6 billion in technical

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<sup>44</sup> Christopher W. Hughes, ‘Japan’s Policy Towards China: Domestic Structural Change, Globalization, History and Nationalism’, in Christopher M. Dent, ed., *China, Japan and Regional Leadership in East Asia* (Cheltenham: Edward Elgar, 2008), pp. 37-51.

<sup>45</sup> Michael J. Green and Benjamin L. Self, ‘Japan’s Changing China Policy’, *Survival: The IISS Quarterly*, Vol. 38, No. 2, 1996, pp. 35-58; Chalmers Johnson, ‘Patterns of Japan’s Relations With China, 1952-1982’, in Chalmers Johnson, ed., *Japan: Who Governs? The Rise of the Developmental State* (New York: Norton, 1995), pp. 235-263.

<sup>46</sup> Akio Takahara, ‘A Japanese Perspective on China’s Rise’, in Robert S. Ross and Zhu Feng, eds., *China’s Ascent: Power, Security and the Future of International Politics* (Ithaca, New York: Cornell University Press, 2008), pp. 219-223.

cooperation.<sup>47</sup> This ODA, coupled with Japanese industry's need for offshore productions sites and markets led to a progressive expansion of Japanese foreign direct investment (FD) and bilateral trade, resulting in China becoming Japan's largest trading partner by 2007 and the largest cumulative investor in China, while Japan is China's second largest individual national trade partner as of 2014.

### *Offense-Defense Balance*

Japan's pursuit of the engagement of China was reinforced above all by the offense-defense capabilities' balance. Japan's relative geographical proximity to China and any sense of threat was mitigated, of course, by the maritime sea space between the two states. But for the entire Cold War and into the first two decades of the new millennium Japanese policy-makers were confident that the balance of defensive capabilities, both conventional and nuclear, was fully in Japan's favor. The Japan Self Defense Forces (JSDF) by the mid-1980s, primarily in order to counter the threat of Soviet expansionism in East Asia, had developed maritime and air capabilities that enabled it to control and defend the territorial space around the Japanese archipelago. Japan's internal capabilities complemented and reinforced the overwhelming military power of the U.S. in the region, channeled via the U.S.-Japan security treaty and its evolution into an overt "alliance relationship" by the 1980s.<sup>48</sup> Japanese policy-makers were doubly relaxed about China's military posture because they understood the PLA's principal roles to be the preservation of internal regime security and immediate

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<sup>47</sup> Reinhard Drifte, 'The Ending of Japan's ODA Loan Programme to China—All's Well That Ends Well?', *Asia-Pacific Review*, Vol. 13, No. 1, 2006, p. 94.

<sup>48</sup> Tanaka Akihiko, *Anzen Hoshō: Sengo 50nen no Mosaku (Security Policy: A Fifty Year Search in the Postwar Period)* (Tokyo: Yomiuri Shimbunsha, 1997), pp. 281-304

territorial integrity vis-à-vis the Soviet Union, and possessed only limited maritime and air power projection beyond its existing borders. Even China's acquisition of nuclear weapons and delivery systems from the 1960s onwards failed to perturb seriously Japan's defense planners, given the PLA's limited number of missiles and warheads, and most importantly the perceived solidity of U.S. extended nuclear deterrence.<sup>49</sup>

Japan's concerns over China's military posture certainly did increase from the mid-1990s onwards with signs the PLA's growing budgets and modernization, and the Chinese state's willingness to project military power in pursuit of its national interests, as manifested in the 1995 and 1996 Taiwan Straits crises which occurred in close proximity to Japan's territorial waters. Nonetheless, Japanese policy-makers still saw China's security activity as somewhat geographically distant in being concentrated around Taiwan, and drew confidence from Japan's continuing conventional superiority and the U.S.'s demonstrated ability to project power and intervene in potential regional conflicts as with its deployment of the U.S. Seventh Fleet around Taiwan.

Japan and the U.S. did begin to shift somewhat toward hedging against a rising China from the early post-Cold War period and mid-1990s onwards, but for Japan this was indeed highly constrained internal and external balancing. In fact, Japan's international strategy was directed almost as much toward hedging against entrapment and abandonment by the U.S. in potential Taiwan or North Korea contingencies as it was against hedging against China.

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<sup>49</sup> Christopher W. Hughes, 'North Korea's Nuclear Weapons: Implications for the Nuclear Ambitions of Japan, South Korea, and Taiwan', *Asia Policy*, No. 3, 2007, p. 84.

Japan's policy-makers were concerned that in the 1994 North Korean nuclear crisis they risked embroilment in another Korean Peninsula conflict as the U.S. sought to activate the U.S.-Japan alliance to provide logistical support, but at the same time were aware that their lack of preparedness for the interoperability of JSDF and alliance capabilities risked the opposite problem of the U.S. discarding Japan as a useful ally. Similarly, the Taiwan Straits crisis, although not generating U.S. direct calls for Japanese assistance, clearly posed questions about the extent to which Japan should support the U.S. militarily without becoming entrapped in any unwelcome Sino-U.S. conflict over Taiwan. Japan's eventual response was the revision of its National Defense Program Outline (NDPO) in 1996, and the revision of the U.S.-Japan Defense Guidelines between 1997 and 1999: the former beginning to re-gear JSDF doctrines and capabilities to deal with threat other than the now defunct Soviet Union, and the latter beginning to fill in the areas of interoperability between the JSDF and U.S. military and the logistical support provided by Japan in regional contingencies.

At the same time, though, Japan attempted to maintain strategic ambiguity by refusing to specify the exact geographical extent of its military commitments in a regional contingency, and to thereby constrain any U.S. balancing of China by allowing the U.S. to take for granted Japanese military support, or any attempts by China to destabilize the *status quo* by being able to divine the extent of Japan's support for the U.S.<sup>50</sup> Japan thus continued its "dual hedge" tactics both inside and outside the alliance.<sup>51</sup>

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<sup>50</sup> Christopher W. Hughes, *Japan's Economic Power and Security: Japan and North Korea* (London: Routledge, 1998), pp. 187-203.

<sup>51</sup> Eric Heginbotham and Richard J. Samuels, 'Japan's Dual Hedge', *Foreign Affairs*, Vol. 81, No. 5, 2002, pp. 110-121.

All in all, Japan's international strategy post-Cold War, and from the 1990s into the early 2000s, can be said to have corresponded to a form of "circumscribed balancing", "Liberal Deterrence", or "Reluctant Realism", as it edged toward some balancing against a rising China but without overcommitting to this strategy or the U.S.<sup>52</sup> The Defensive Realist and Constructivist analysis is thus correct in that Japan's balancing was highly constrained and embedded within a far more dominant strategy of hedging, based on the reading and influencing of China's intentions. In this period, somewhat ironically, despite their ostensibly different societal differences, Japan and China were both *status quo* powers and pragmatic in their bilateral dealings. The occasional spat over history textbooks was experienced as in 1982, but by and large the concentration was on economic engagement. Japan's grand strategy and the approach to China within it was summed up by Prime Minister Yoshida's famous dictum that: "Red or white, China remains our next-door neighbor. Geography and economic laws will, I believe, prevail in the long run over any ideological differences and artificial trade barriers".<sup>53</sup>

### **Japan's Shifting Calculus Over China's Intentions and Capabilities**

Japan's international strategy vis-à-vis China into the mid-2000s might be characterized by hedging behavior, but the vital question is whether the conditions that made this

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<sup>52</sup> Christopher P. Twomey, 'Japan, a Circumscribed Balancer: Building on Defensive Realism to Make Predictions about East Asian Security', *Security Studies*, Vol. 9, No. 4, 2000, pp. 167-205; Chikako Kawakatsu Ueki, 'Liberal Deterrence of China: Challenges in Achieving Japan's China policy', in Takashi Inoguchi, G. John Ikenberry and Yoichiro Sato, eds., *The US-Japan Security Alliance: Regional Multilateralism* (New York: Palgrave Macmillan 2007), pp. 137-155.

<sup>53</sup> Shigeru Yoshida, 'Japan and the Crisis in Asia', *Foreign Affairs*, Vol. 29, No. 2, 1951, p. 179.



strategy possible are now deteriorating to the point of engineering a shift, even if incremental and at times fitful, in Japan's policy toward a more active balancing strategy. For it is arguable that evidence is mounting that most of the key conditions identified by Defensive Realism and Liberalism as accounting for Japan's past constraints are now coming under severe stress as the 1972 system for bilateral interaction unravels.

*China's Intentions as Non-transparent and Malign, and Changing Domestic Consensus*

First, Japanese policy-makers' confidence in their capacity to read China's probable intentions has been progressively undermined. In part, this is the result of the transition in China's leadership from the third, to fourth, and then fifth generations, mirrored by a similar process of the turnover of party factional and regime leadership in Japan, so leading to a straightforward breakdown of personal lines of communications.<sup>54</sup> The LDP's younger generation of leaders lack good personal relations with their Chinese counterparts, steeped increasingly instead as many are in U.S.-Japan policy-making networks. Most strikingly, with the exception of Prime Minister Fukuda Yasuo (2007-2008), who has served whilst in office and then later behind the scenes as an important conduit for attempts to reboot Sino-Japanese ties, LDP prime ministers from Koizumi

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<sup>54</sup> Prime Minister Koizumi's 2002 Task Force on Foreign Relations noted the lack of regime stability in both countries and consequent lack of interchange of policy elites and at societal levels as a particular weakness of the foundation of Sino-Japanese relations, see Taigai Kankei Tasukufōsu, *21isseiki Nihon Gaikō no Kihon Senryaku: Arata na Jidai, Arata na Bijon, Arata no Gaikō (Japan's Basic Diplomatic Strategy in the Twenty First Century: New Era, New Vision, New Diplomacy)*, November 28, 2002, <http://www.kantei.go.jp/jp/kakugikettei/2002/1128tf.html>, pp. 39-40. Sheila A. Smith, *Intimate Rivals: Japanese Domestic Politics and a Rising China* (New York: Columbia University Press, 2015), pp. 50-51; 245-246.

Junichirō (2001-2006) onwards have all struggled to build and sustain a relationship with their Chinese counterparts.<sup>55</sup>

Koizumi, of course, was to position himself as the ultimate *persona non grata* with China's leadership, unable to effect a full bilateral summit for five years. Abe Shinzō (2006-2007) and Asō Tarō (2008-2009) have both been regarded with suspicion as anti-Chinese. Asō notably as foreign minister in 2005 publicly remarked that China's military modernization build-up was "on course to pose a considerable threat" to Japan.<sup>56</sup> Abe, although more guarded in his public statements on China as befits a two-time prime minister, nevertheless detailed his suspicions in December 2012, just prior to returning the premiership. Abe noted that China's maritime activities would lead to the South China Sea becoming "Lake Beijing", compared China's activities to those of the Soviet Union during the Cold War, were sufficient to "scare" its neighbors, and that "Japan must not yield" to Chinese coercion in the East China Sea.<sup>57</sup> Abe in his second administration has experienced a similar inability as his successors to establish personal contacts with his counterpart—being unable after taking office to hold a bilateral summit with first Hu Jintao, and then only managing, nearly two years after taking

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<sup>55</sup> For Fukuda's role in preparing the way for Abe's summit with Xi Jinping in 2014, see Yomiuri Shimbun Seijibu, *Abe Kantei Vs Shū Kinpei: Gekika Suru Nicchū Gaikō Sensō (Prime Minister Abe's Administration Versus Xi Jinping: Intensifying the Sino-Japanese Diplomatic War)* (Tokyo: Shinchōsha, 2015), pp. 29-32.

<sup>56</sup> Ministry of Foreign Affairs Japan, 'Press Conference by Foreign Minister Asō Tarō', [http://www.mofa.go.jp/announce/fm\\_press/2005/12/1222.html](http://www.mofa.go.jp/announce/fm_press/2005/12/1222.html).

<sup>57</sup> Abe Shinzō, 'Asia's Democratic Security Diamond', December 27, 2012, Project Syndicate, <http://www.project-syndicate.org/commentary/a-strategic-alliance-for-japan-and-india-by-shinzo-abe>.

power, a rather frosty first summit with Xi Jinping at the Beijing Asia-Pacific Economic Cooperation (APEC) meeting in November 2014.

Many younger DPJ politicians have shared with the LDP a new suspicion of China, for example, Maehara Seiji, a noted security hawk and former DPJ foreign minister, when serving as the leader of the DPJ in December 2005 at a public forum in Washington D.C. described China's military build-up as a "realistic threat" (*genjitsu na kyōi*) to Japan.<sup>58</sup> The DPJ's "elder statesmen" former leader Ozawa Ichirō and Prime Minister Hatoyama Yukio (2009-2010) did attempt to rebuild these connections through initiatives to expand bilateral elite-to-elite visits.<sup>59</sup> But the DPJ's implosion after its brief spell in power from 2009-2012, and the taking over of that party by lawmakers similar to the LDP in being less well-connected to China, including prime ministers Kan Naoto (2010-11) and Noda Yoshihiko (2011-12), has served to compound Japanese policy-makers' inherent lack of ability to read the intentions of China's leadership.<sup>60</sup>

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<sup>58</sup> Maehara Seiji, 'Minshutō no Mezasu Kokkashō to Gaikō Bijyon' (Japanese Transcript of CSIS Japan Chair Forum: DPJ's Vision on Domestic and Foreign Policy), December 8, 2005, [http://csis.org/files/attachments/051208\\_maeharajapremarks.pdf](http://csis.org/files/attachments/051208_maeharajapremarks.pdf), p. 3.

<sup>59</sup> Ozawa famously led delegations of 45 DPJ National Diet members and 390 other general participants to China in December 2007 whilst in opposition, and then after the DPJ took power led 143 DPJ Diet members and 496 participants to Beijing in December 2009, leading to accusations of the DPJ bandwaggoning with China and turning away from the U.S. Hughes, "The Democratic Party of Japan's New (But Failing) Grand Security Strategy", p. 129.

<sup>60</sup> Daniel Sneider, "The New Asianism: Japanese Foreign Policy", in Kenji E. Kushida and Phillip Y. Lipscy, eds., *Japan Under the DPJ: The Politics of Transition and Governance* (Stanford, California: The Walter H. Shorenstein Asia-Pacific Research Center/Brookings Institution Press, 2013), pp. 384-91.

Meanwhile, Japanese bureaucratic-level interaction with regard to China has also become more constrained in the post-Cold War period. MOFA's China and Mongolia Division has retreated in influence compared to the rise of the North American Affairs Bureau as the gatekeeper of the U.S.-Japan alliance. Instead, much of the direction of Japan's policy toward China has been directed recently by Yachi Shōtarō, a former MOFA Vice-Minister for Foreign Affairs, now Director of the National Security Council, and one of Abe's key foreign policy advisors.

The Japanese leaderships' lack of acquaintance with their Chinese counterparts is symptomatic of and compounds a larger structural change in relations which has made it harder for Japan to understand China's intentions. Japan's leaders perceive that China's leadership transition and rapid economic development, and the accompanying challenges to the competency and legitimacy of the CCP to continue to govern, have triggered shifts in China's domestic and international ideology. As Prime Minister Abe's 2015 advisory panel on Japan's history and international role noted, the CCP's effective abandonment of communism as a mainstay ideology in favor of "patriotic education" in order to boost its domestic legitimacy has inevitably spilled over to impact negatively on Sino-Japanese relations.<sup>61</sup> The promotion of "patriotic education"

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<sup>61</sup> Advisory Panel on the History of the 20<sup>th</sup> Century and on Japan's Role and the World Order in the 21<sup>st</sup> Century, *Report of the Advisory Panel on the History of the 20<sup>th</sup> Century and on Japan's Role and the World Order in the 21<sup>st</sup> Century*, August 6, 2015, [http://japan.kantei.go.jp/97\\_abe/actions/201508/6article3.html](http://japan.kantei.go.jp/97_abe/actions/201508/6article3.html), pp. 23-24.

based on the recovery of national pride from past external aggressions is necessarily co-axial with the promotion of previously suppressed anti-Japanese sentiment.<sup>62</sup>

In turn, China's shift toward nationalism has also been seen to engender a drive for the restoration of territorial integrity, including not just Taiwan but also China's disputed territorial claims with Japan and ASEAN states in the East China Sea and South China Sea, and even more worryingly a potential drive toward displacing the U.S.-led order in the region and the assumption of hegemonic status in the Asia-Pacific.<sup>63</sup> The LDP, for instance, has argued that China is engaged in a "struggle for hegemony" (*haken sōdatsu*) in East Asia.<sup>64</sup> Koizumi's foreign policy task force talked of Sino-Japanese relations now moving from a situation of "collaboration and co-existence" to one of potential "competition and friction".<sup>65</sup>

Japanese perceptions of China's increasing ideological estrangement have been reinforced by concerns over a new Chinese unwillingness to demonstrate benign intentions through committing to bilateral and international agreements and

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<sup>62</sup> Mōri Kazuko, *Nicchū Kankei: Sengo Kara Shinjidai E (Japan-China Relations: From the Postwar to a New Era)* (Tokyo, Iwanami Shinsho, 2006), pp. 154-168.

<sup>63</sup> Taylor Fravel, *Strong Borders, Secure Nation: Cooperation and Conflict in China's Territorial Disputes* (Princeton, New Jersey: Princeton University Press, 2008), pp. 267-272.

<sup>64</sup> Jiyū Minshutō Seimu Chōsakai Kokubō Bukai, 'Teigen Shinbōei Keikaku no Taikō ni Tsuite: Kokka no Heiwa, Dokuritsu to Kokumin no Anzen, Anshin Kakuho no Saranaru Shinten' (*Regarding Proposals for a New National Defense Program Outline: Attaining Further Advances of the Peace State, Autonomy and Safety of the People, and Reassurance*), June 14, 2010, [https://www.jimin.jp/policy/policy\\_topics/pdf/seisaku-017.pdf](https://www.jimin.jp/policy/policy_topics/pdf/seisaku-017.pdf), p. 3.

<sup>65</sup> Taigai Kankei Tasukufōsu, *21isseiki Nihon Gaikō*, p. 14.

conventions. From the Japanese viewpoint, China has in recent years consistently intimated that it is prepared to transgress the principles of the 1978 Sino-Japanese Treaty of Peace and Friendship concerning the shelving of colonial history issues and the non-use of force in international disputes, and failed to abide by other bilateral agreements related to respect for Japanese intellectual property and food export safety standards. Hence, Japanese leaders have consistently stressed in any interactions possible with their counterparts that they look for ties to continue to be predicated on adherence to the “four basic documents” issued between the two sides in the post-war period, namely the 1972 Joint Statement of 1972, 1978 Treaty of Peace and Friendship, 1998 Joint Declaration, and 2008 Joint Statement on Strengthening Exchange and Cooperation.<sup>66</sup>

More recently, Japanese policy-makers have been disturbed by the Chinese central government’s apparent willingness to allow local courts to revisit provisions of the 1978 peace treaty under which China has waived its right to colonial compensation. In April 2014, the Shanghai Maritime Court impounded a Mitsui OSK Lines (MOL) ship as a means to demand compensation from the parent company for failure to fulfill payments for the leasing of Chinese ships in the 1930s. MOL eventually negotiated a private payment of around U.S.\$30 million. The Shanghai case followed a Beijing court’s acceptance of the hearing the same year of a case pursuing damages against Japan for forced labor in the colonial period. Chief Cabinet Secretary Suga Yoshihide remarked in an April 2015 press conference regarding the MOL incident that, “the series of responses that China has made in connection with this matter, including the

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<sup>66</sup> Ministry of Foreign Affairs Japan, ‘Japan-China Summit Meeting’, November 10, 2014, [http://www.mofa.go.jp/a\\_o/c\\_m1/cn/page4e\\_000151.html](http://www.mofa.go.jp/a_o/c_m1/cn/page4e_000151.html).

latest seizure notice, may undermine the very foundation of the spirit of the normalization of Japan-China diplomatic relations espoused in the 1972 Joint Communiqué of the Government of Japan and the Government of the People's Republic of China".<sup>67</sup>

Japanese policy-makers have been further disappointed by the apparent reluctance of China to contribute to the maintenance of the "mutually beneficial relationship based on common strategic interests" that Prime Minister Abe initiated at the start of his first period of office in 2006 in order to restore bilateral ties following Koizumi's premiership, and that was then followed through by successive LDP and DPJ prime ministers. From the Japanese perspective, China has failed to reciprocate on attempts to reboot ties through bilateral summitry to promote mutual trust, people-to-people exchanges, and cooperation in the wider Asia-Pacific region over issues such as North Korea's nuclearization.

Japan and China have attempted to move ahead with multilateral cooperation in the form of the Japan-China-Republic of Korea (ROK) Trilateral Cooperation Dialogue (TCD) since 2008, and have progressed certain elements of functional cooperation in the environment, finance, and negotiations for a free trade agreement (FTA).<sup>68</sup> However, deeper trilateral cooperation has been stymied by the standoff in Japan-China relations, and to some extent Japan-South Korea, relations over issues of history and

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<sup>67</sup> Prime Minister's Office Japan, 'Press Conference by the Chief Cabinet Secretary', April 21, 2015, [http://japan.kantei.go.jp/tyoukanpress/201404/21\\_a.html](http://japan.kantei.go.jp/tyoukanpress/201404/21_a.html).

<sup>68</sup> Hidetaka Yoshimatsu, 'Regional Cooperation in Northeast Asia: Searching for the Mode of Governance', *International Relations of the Asia-Pacific*, Vol. 10, No. 2, 2010, pp. 253-256.

territory. The result is that TCD summits were held in abeyance from 2012 to 2015 and the Japan-China-ROK FTA negotiations slowed to a near standstill. China and South Korea only agreed in September 2015 to restart the TCD summits. But Xi and President Park Guen-hye made this decision bilaterally without first consulting with Japan and during Park's attendance at the events in Beijing to commemorate the seventieth anniversary of the defeat of Japan and end of World War Two, so perhaps providing not the most auspicious of environments for the rebooting of the TCD. The first TCD summit for over three years held in Seoul on 1 November 2015, including a bilateral meeting between Abe and Chinese prime minister Li Keqiang, sought to restore some normality to ties with an agreement to restart various trilateral economic and political cooperation projects, but the summit was also overshadowed by Chinese and South Korean suspicions and insistence that Japan demonstrate correct behavior on issues of history.<sup>69</sup>

Similarly, in regard to broader multilateral cooperation in the region, Japanese concerns over China's meaningful and benign intentions have heightened. Japan and China continue to cooperate in the financial arena through their role in the ASEAN-Plus-Three's Chiang Mai Initiative. But increasingly worrying for Japan is China's initiation of the Asian Infrastructure Investment Bank (AIIB) to function as an apparent counter-institution to the Asian Development Bank (ADB) traditionally led by Japan, and with perceived poorer standards of governance in loan-making, and resulting in Japan's

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<sup>69</sup> Ministry of Foreign Affairs Japan, 'Joint Declaration for Peace and Cooperation in Northeast Asia', November 1, 2015, [http://www.mofa.go.jp/a\\_o/rp/page1e\\_000058.html](http://www.mofa.go.jp/a_o/rp/page1e_000058.html).



refusal, along with the U.S., to accept the invitation to join.<sup>70</sup> Abe commented provocatively on the AIIB plan that, “a company that borrows money from a bad loan shark will end up losing its future”, and implied that Asian states would be at the mercy of malign Chinese influence.<sup>71</sup>

For Japan, the most alarming evidence of the growing malignity of China’s intentions is its assertion of territorial and resource interests in the East China, South China Sea, and the sea lines of security (SLOC) in the Asia-Pacific region and beyond to the Persian Gulf. Japanese policy-makers argue that China first overturned the *status quo* and the agreed shelving of territorial disputes with its 1992 Law on the Territorial Sea explicitly laying claim to Japanese controlled areas in the East China Sea, and has since failed to conform to other established bilateral agreements on maritime cooperation.<sup>72</sup> These Japanese concerns have been made manifest by China’s expanding area of maritime operations and the constant dispatch of fishing vessels, “research ships” and People’s Liberation Army Navy (PLAN) vessels into Japan’s exclusive economic zone

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<sup>70</sup> ‘Japan Reluctant to Join China-led New Asian Investment Bank’, *Mainichi Shimbun*, July 24, 2014, <http://mainichi.jp/english/english/newsselect/news/20140706p2g00m0bu007000c.html>.

<sup>71</sup> ‘Japan Flip-Flops on AIIB Policy’, *Nikkei Asian Review*, April 27, 2015, <http://asia.nikkei.com/Politics-Economy/International-Relations/Japan-flip-flops-on-AIIB-policy?page=2>.

<sup>72</sup> Ministry of Foreign Affairs Japan, ‘Japanese Territory: Senkaku Islands’, April 4, 2014, [http://www.mofa.go.jp/a\\_o/c\\_m1/senkaku/page1we\\_000010.html](http://www.mofa.go.jp/a_o/c_m1/senkaku/page1we_000010.html); Reinhard Drifte, *The Senkaku/Diaoyu Islands Territorial Dispute Between Japan and China: Between the Materialization of the “China Threat” and Japan ‘Reversing the Outcome of World War II’?*, UNISCI Discussion Papers, no. 32, May 2013, <http://pendientedemigracion.ucm.es/info/unisci/revistas/UNISCIDP32-1DRIFTE.pdf>, pp. 21-24.

(EEZ) around the disputed Senkaku/Diaoyu Islands south of Okinawa Prefecture. These tensions reached a new high point in 2010 with the DPJ administration's decision to not only detain but then also indict the captain of a Chinese trawler for attempting to ram a Japan Coast Guard (JCG) vessel that had warned his ship away from operating in the Senkaku/Diaoyu Island waters, so sparking a major diplomatic row with China.

Sino-Japanese relations have since escalated further from late 2012 onwards with the decision of the DPJ government to purchase and in effect “nationalize” two of the Senkaku/Diaoyu Islands from their private owner and thus to assert clear *de jure* as well as *de facto* control. In response, China has significantly upped the level of its maritime activity around the islands, and in November 2013 established an Air Defense Identification Zone (ADIZ) overlapping with that of Japan's extending around the Senkaku/Diaoyu Islands, and thus further raising the bilateral ante on the territorial dispute. Deputy Chief Cabinet Secretary Katō Katsunobu summed up Japan's alarm and position in response: “The Government of Japan expressed deep concern about China's establishment of such a zone and obliging its own rules within the zone, which are profoundly dangerous acts that unilaterally change the *status quo* in the East China Sea, escalating the situation, and that may cause unintended consequences in the East China Sea.”<sup>73</sup>

Japan-China tensions further north in the East China Sea have been intensified by overlapping EEZs and territorial claims to gas field resources. Despite Japan and China reaching an agreement in principle in 2008, as one outcome of the “mutually beneficial

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<sup>73</sup> Prime Minister's Office Japan, ‘Press Conference by the Deputy Chief Cabinet Secretary’, November 25, 2013, [http://japan.kantei.go.jp/tyoukanpress/201311/25\\_a.html](http://japan.kantei.go.jp/tyoukanpress/201311/25_a.html).

relationship based on common strategic interests”, for the joint development of sections of the gas fields, there has been much Japanese frustration at China’s apparent reluctance since to respond to calls to move forward with bilateral development plans, and the suspicion remains that China is already moving to exert unilateral exploitation of the fields.<sup>74</sup> The Japan Ministry of Defense’s (JMOD) *Defense of Japan 2015* white paper—its release in July 2015 arguably timed to coincide with ongoing National Diet debates on the exercise of collective self-defense, and with sections on the China threat beefed up at the request of the LDP—provided the public news for the first time that China had started to construct new gas platforms in the East China Sea and that the Japanese government would continue to lodge “protests against China’s unilateral development”.<sup>75</sup> In addition, Japanese policy-makers have seen China’s refusal to recognize as an islet Japan’s territory of Okinotorishima in the Philippine Sea, and its thereby attempted negation of Japan’s claims to the surrounding EEZ, as another challenge to the territorial *status quo*. Japan has responded by announcing in February

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<sup>74</sup> Anami Yūsuke, ‘Senryaku-teki gōkei Kankei no Mosaku to Higashi Shinakai Mondai’, (Searching for a Mutually Beneficial Strategic Partnership and the Issue of the East China Sea) in Takahara Akio and Hattori Ryūji, eds., *Nicchū Kankeishi 1972-2012 I: Seiji (The History of Japan-China Relations 1972-2012 I: Politics)* (Tokyo, Tokyo Daigaku Shuppankai, 2012), pp. 459-469; James Manicom, *China, Japan and Maritime Order in the East China Sea: Bridging Troubled Waters* (Washington D.C.: Georgetown University Press, 2014), pp. 122-157.

<sup>75</sup> Japan Ministry of Defense, *Defense of Japan 2015*, [http://www.mod.go.jp/e/publ/w\\_paper/pdf/2015/DOJ2015\\_Digest\\_part1\\_web.pdf](http://www.mod.go.jp/e/publ/w_paper/pdf/2015/DOJ2015_Digest_part1_web.pdf), p. 5.

2016 that it would spend ¥13 billion to rebuild an observation platform on the islet to assert its sovereignty.<sup>76</sup>

Japan and China were able at the Abe-Xi summit in November 2014 to achieve some level of bilateral equilibrium on the Senkaku/Diaoyu dispute with issuing of a “joint statement” by both sides as the product of considerable behind-the-scene diplomatic negotiation. The “joint statement” was not really joint at all, as it was two separate statements on the issue of the islands: Tokyo maintained its stance there was no dispute in its eyes but that the two countries held different “views”; and Beijing that there were differing “positions” so holding to its stance of not relenting on the existence of a dispute.<sup>77</sup> This diplomatic linguistic device enabled Japan and China at least to move forward with long-mooted attempts to create a bilateral crisis-management mechanism in the East China Sea, and there was some decline in Chinese maritime incursions around the islands in 2015. Nevertheless, the dispute remains an issue at a level of constant high-tension in Sino-Japanese relations. The JMOD’s 2015 Defense white paper stated that China’s activities in the East China and South China Sea were attempts to “alter the *status quo* by force”.<sup>78</sup>

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<sup>76</sup> ‘Okinotorishima Kansoku Kyoten Tatekae, Kōrōka, 20nen Kansei Mezasu’ (Rebuilding the Ageing Observation Platform for Okinotorishima, Aiming for Completion in 2020), *Asahi Shimbun*, February 1, 2016, <http://digital.asahi.com/articles/DA3S12188086.html>.

<sup>77</sup> Ministry of Foreign Affairs Japan, ‘Joint Statement of the ASEAN-Japan Commemorative Summit: “Hand in Hand Facing Regional and Global Challenges”’, December 14, 2013, <http://www.mofa.go.jp/files/000022451.pdf>.

<sup>78</sup> Bōeishō, *Bōei Hakushō 2015 (Defense of Japan White Paper)* (Tokyo, Zaimushō Insatsukyoku, 2015), p. 35.

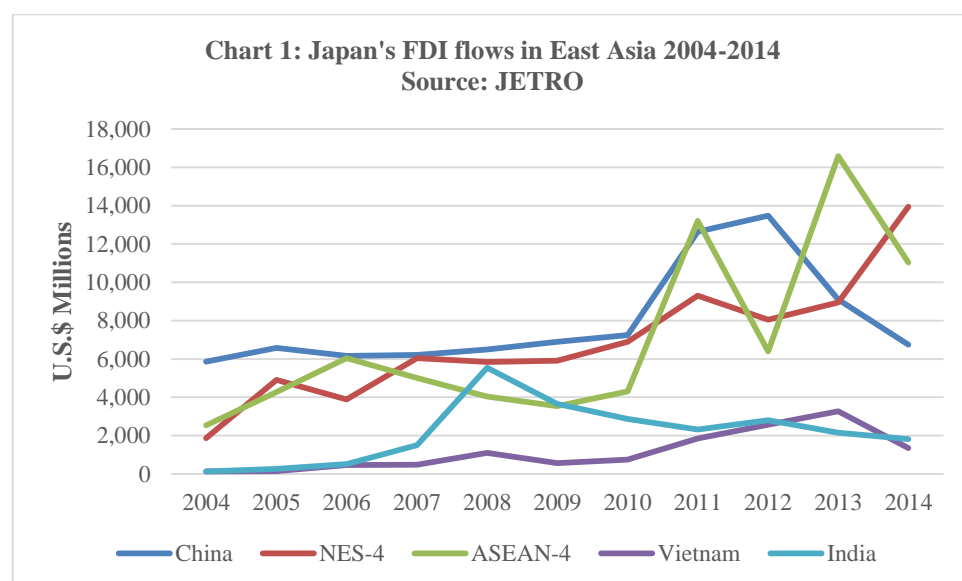
Second, Japan's waning confidence in the benign nature of China's intentions has been matched by a declining confidence in its capacity to effect any malleability in those intentions. Japanese consistent economic engagement of China since the 1970s, including the disbursement of ODA, is acknowledged as without doubt promoting Chinese development and bilateral interdependence. However, Japan's ODA provision has been regarded as having diminishing returns in influencing, most crucially, Chinese political behavior. Japan's suspension of ODA grants in protest at China's nuclear testing in 1995 and its failure to change Chinese behavior was a portent of the limited utility of ODA a lever of influence.<sup>79</sup>

Japan's extension of bilateral foreign direct investment (FDI), production and trading linkages has clearly been a factor in restraining China's behavior toward Japan even in the midst of the deepest tensions over history and territory. Nevertheless, there are signs of possible declines in the condition of this economic interdependency. For although Japan's trade interdependency with China in terms of shares of exports and imports has remained steady at around 18 and 22 percent respectively over the last half-decade, Japanese outward FDI has begun to decline rapidly in recent years. From an historic high of U.S.\$13.5 billion of Japanese FDI in China in 2012, investment flows fell to U.S.\$9.1 billion in 2013, then halved to U.S.\$6.7 billion in 2014. In part, the decline is accounted for by China's economic slowdown, but also in large part by political

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<sup>79</sup> Saori N. Katada, 'Why Did Japan Suspend Foreign Aid to China? Japan's Foreign Aid Decision-Making and Sources of Aid Sanction', *Social Science Japan Journal*, Vol. 4, No. 1, 2001, pp. 39-58.

tensions affecting business confidence.<sup>80</sup> The Sino-Japanese investment relationship and level of interdependency has also shown signs of declining not only absolutely but also relatively as Japanese FDI begins to shift to other regions in East Asia. Japanese FDI in the Newly Industrialized Economies-4 (NIES) of Hong Kong, Taiwan, South Korea and Singapore exceeded that in China for the first time in 2014 at U.S.\$13.9 billion; and investment in the ASEAN-4 of Thailand, Indonesia, Malaysia and the Philippines also outstripped that in China in 2014 at U.S.\$11 billion (Chart 1).



Moreover, Japanese policy-makers worry that aspects of the economic relationship are approaching one of asymmetric interdependence now tilted toward China.<sup>81</sup> China's perceived willingness to resort to "economic warfare" to achieve political and security ends was for Japan demonstrated by the alleged Chinese embargo on rare earth exports imposed after the 2010 tensions over the Senkaku/Diaoyu Islands, and thus serving as

<sup>80</sup> JETRO, 'Nihon no Chokusetsu Tōshi (Kokusai Shūshi Bēsu, Netto, Furō)' (Japan's Foreign Direct Investment [International Income and Expenditure Basis, Net, Flow]) <http://www.jetro.go.jp/world/japan/stats/fdi.html>.

<sup>81</sup> Advisory Panel on the History of the 20<sup>th</sup> Century, *Report of the Advisory Panel*, p. 24.

a portent of how China might increasingly hold the upper hand in the bilateral economic relationship.<sup>82</sup>

Moreover, Japan's own economic relative decline vis-à-vis China has meant that it feels it simply lacks sufficient capacity to exercise effective influence. Japan's cessation of all ODA to China except for limited environmental cooperation after 2008 was justified on the basis that the program had largely achieved its objectives. But the ending was also the result of Japanese awareness that there were no longer the budgetary resources to provide large-scale ODA and that its utility in the light of China's new found economic power was highly questionable.

Third, Japanese failing confidence in the predictability and malleability of China's intentions has been reinforced by an evolving domestic consensus at elite and societal levels regarding the future course of Sino-Japanese relations, and which has contributed to the obviating of any previous "underbalancing" impulses. For just as China has experienced a deep-seated domestic political transformation that has influenced its international strategy, so in Japan there has been a similar process of regime shift.<sup>83</sup> Japan's LDP in power for close to sixty years in the post-war period has struggled to prove its competency to govern during a "lost decade" of economic decline that has actually now stretched to close to a quarter of a century. The result has been the

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<sup>82</sup> Linus Hagström, "'Power Shift' in East Asia? A critical Reappraisal of Narratives on the Diaoyu/Senkaku Islands Incident in 2010', *The Chinese Journal of International Politics*, Vol. 5, 2012, pp. 282-283.

<sup>83</sup> T.J. Pempel, *Regime Shift: Comparative Dynamics of the Japanese Political Economy* (Ithaca, New York: Cornell University Press, 1998).

displacement of the LDP mainstream old guard and the domination of the party since the early 2000s by the revisionist Machimura-Hosoda faction.<sup>84</sup> The LDP has then turned to a more nationalist ideology to enhance its legitimacy. This began to be manifested under Koizumi's administration and his insistence on visiting Yasukuni Shrine. Abe's first administration was marked by a degree of pragmatism with his crafting with China in 2007 of the "mutually beneficial strategic partnership" to try to re-right bilateral relations. However, on returning to power in 2012, Abe has revealed himself as an arch-revisionist, so creating the conditions for the exacerbation of tensions with China.

Abe has espoused an ideological program that seeks to overturn the post-war settlement imposed on Japan after its defeat in the Pacific War and U.S.-led Occupation and which is believed to have suppressed Japanese national identity and independence. Abe and other Revisionists wish to revise Article 9 and the Constitution as a whole, as well as historical interpretations of Japan as a colonial aggressor, that are seen to constrain its exercise of military power for national security ends and prevent Japan from recovering great power international status. Abe's visit to Yasukuni Shrine in December 2013 only confirmed for China and South Korea his status as a Revisionist and stopped in its tracks any diplomatic attempts to reboot bilateral ties.<sup>85</sup>

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<sup>84</sup> Christian G. Winkler, 'Rising Right? Ideology and the 2012 House of Representatives Election', in Robert Pekkanen, Steven R. Reed and Ethan Scheiner, eds., *Japan Decides 2012: The Japanese General Election* (Basingstoke: Palgrave Macmillan, 2013), pp. 201-212.

<sup>85</sup> Christopher W. Hughes, *Japan's Foreign and Security Policy Under the 'Abe Doctrine': New Dynamism or New Dead End?* (New York: Palgrave, 2015), pp. 72-75.



The “Abe Statement” released on 14 August 2015 on the eve of the seventieth anniversary of the end of World War Two might have been an occasion to alleviate significantly historical tensions. In the end, the statement, although highly skillful in not handing China any easy means to exert diplomatic leverage over Japan because it contained the key phraseology of acknowledging past “aggression”, “colonial rule”, “heartfelt apology” and “remorse”, and thus generally upheld previous government statements on the colonial wartime periods, did little to address mutual suspicions over history. The statement contained a long preamble about history, indicating that Japan had to respond to the onrush of Western colonialism, how Japan’s victory in the Russo-Japanese war gave hope for self-determination to Asian states, and how Japan was in a sense forced into the Pacific War by the creation of Western economic blocs in the interwar period—all intimating classic right-wing justifications of Japan having fought to liberate East Asia and a defensive war against the West, and in which Japan was as much a casualty as other countries. Moreover, Abe preferred to talk of Japan’s past statements on history in general and studiously avoided using the first person to say that he himself sought to apologize or uphold past positions. Abe also remarked that “further generations to come” should not be “predestined to apologize”, so signaling his view was a line should now be drawn under any further acts of Japanese contrition for the war.<sup>86</sup> Even if Chinese policy-makers’ commentary on the “Abe Statement” was relatively muted, the reaction of China’s official media and social media was far more critical of Abe’s perceived reluctance to make a clear break with and apology for its

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<sup>86</sup> Shinzō Abe, ‘Statement by Prime Minister Shinzō Abe on the Seventieth Anniversary of World War Two’, 14 August 2015, [http://japan.kantei.go.jp/97\\_abe/statement/201508/0814statement.html](http://japan.kantei.go.jp/97_abe/statement/201508/0814statement.html).

past militarism.<sup>87</sup> Meanwhile, as noted above, the DPJ, despite purveying a more pro-China stance under its older leaders, has also undergone internal changes that have brought to the fore younger and more nationalist-oriented politicians, many of whom share the same suspicions of their conservative LDP counterparts regarding China's intentions.

At the general societal level, there has also occurred a general turn away from viewing China's intentions toward Japan as benign, precipitated by tensions over history, territory and other issues such as food safety scares, all of which reinforce the perception of China as an untrustworthy partner.<sup>88</sup> Opinion polls taken over the long time series by Japan's Cabinet Office, for instance, show that the proportion of the public feeling no sense of affinity with China, already strongly on the rise since 2004 when there had been a rough parity with those feeling a sense of affinity at around the high 40 percent mark, had risen to 83 percent by 2014. By contrast, the level of Japanese feeling a sense of affinity with China has continued to fall since 2004, reaching an all-time low in the survey period of 15 per cent in 2014 (Chart 2)<sup>89</sup> This decline in Japanese public feeling vis-à-vis China is not to say that the majority in Japan has necessarily lined up with the more radical Revisionist sentiments, and it is clear that public opinion

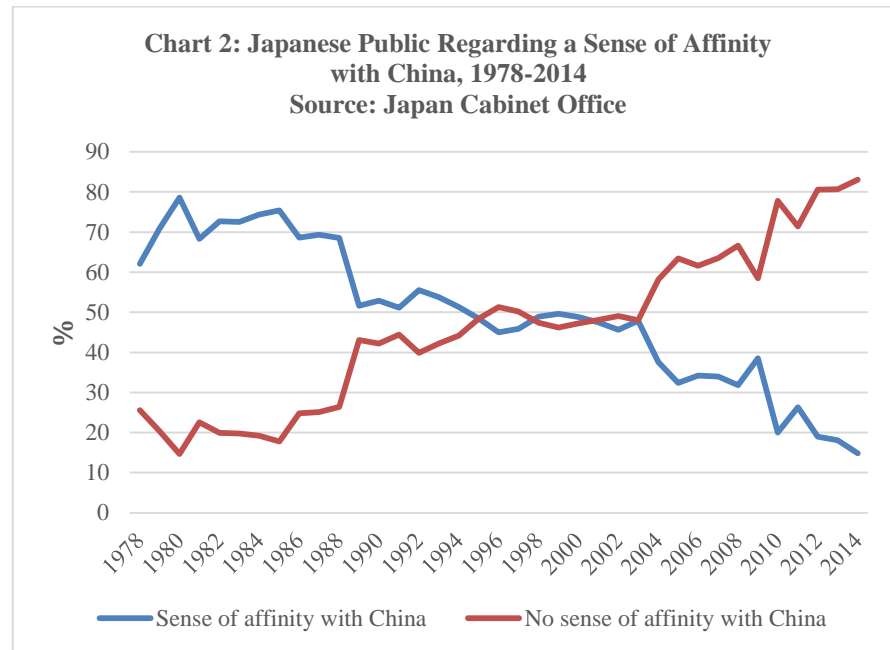
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<sup>87</sup> Marie-Alice McLean-Dreyfus, 'How Did Chinese Media React to Abe's World War II Speech?', *The Interpreter*, August 17, 2015, <http://www.lowyinterpreter.org/post/2015/08/17/How-did-Chinese-media-react-to-Abe-World-War-II-speech.aspx>.

<sup>88</sup> Paul O'Shea, 'Dodgy Dumplings and Lethal Liver: Risk, Food Terrorism, and Sino-Japanese Relations', *The Pacific Review*, Vol. 28, No. 2, 2015, pp. 303-321.

<sup>89</sup> Naikakufu Daijin Kanbō Seifu Kōhōshitsu, *Gaikō ni kansuru Yoron Chōsa* (Public Opinion Poll Regarding Diplomacy), December 22, 2014, <http://survey.gov-online.go.jp/h26/h26-gaiko/zh/z08.html>.

was also generally against Koizumi's and Abe's visits to Yasukuni.<sup>90</sup> However, the most disturbing conclusion from the polling information is that, if at least there is no open antipathy toward China, there is perhaps indifference and a fatigue over what are seen as cynical Chinese demands for Japan to submit on history and territory.



The consequence is Japanese policy-makers and citizenry, whilst themselves perhaps unconsciously mirroring Chinese behavior in dabbling with their own revisionist and nationalist stances, view their counterparts as shifting from a position of pragmatism to one of revisionism and dissatisfaction with the *status quo*. China is seen as intent to threaten the regional order and on the way to developing into a fundamentally malign international presence. The extent of Japanese suspicions of China's intent was demonstrated by the exchanges of critiques between influential policy-makers in January 2014. At the start of the month, the Chinese and Japanese ambassadors to the UK entered into an extraordinary spat, describing their respective countries in *Daily*

<sup>90</sup> Mong Cheung, 'Political Survival and the Yasukuni Controversy in Sino-Japanese Relations', *The Pacific Review*, Vol. 23, No. 4, 2010, p. 537.

*Telegraph* editorials as threats to regional stability and “Asia’s Voldemort”.<sup>91</sup> Later in the month, during a media meeting on the sidelines of the Davos World Economic Summit, Abe caused an international stir by seeming to suggest that Japan-China relations were comparable to those of Great Britain and Germany before World War I with a lack of direct communication over intentions and when economic interdependency was insufficient to prevent the occurrence of conflict.<sup>92</sup>

### *The Offense-Defense Balance Tilts Away From Japan*

Japan’s anxieties regarding China’s intentions have been matched and thus exacerbated by perceived shifts in the offense-defense capabilities balance, both internal and external. Japanese policy-makers have revised significantly upwards their estimates of China’s military capabilities in the post-Cold War given the PLA’s double-digit expansion of budgets and military modernization programs. The consistent assertion of Japanese policy-makers has been that China’s defense build-up lacks transparency, thereby adding to the problems of reading its intentions, but that what is readily apparent is the PLA’s determination to acquire for the first time capabilities that can

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<sup>91</sup> Liu Xiaoming, ‘Britain and China Won the War Together’, *The Daily Telegraph*, January 1, 2014, <http://www.telegraph.co.uk/comment/10546442/Liu-Xiaoming-China-and-Britain-won-the-war-together.html>; Keiichi Hayashi, ‘China Risks Becoming Asia’s Voldemort’, *The Daily Telegraph*, January 5, 2014, <http://www.telegraph.co.uk/news/worldnews/asia/japan/10552351/China-risks-becoming-Asias-Voldemort.html>.

<sup>92</sup> ‘Shushō Hatsugen Ōbei Hamon Nicchū Guhatsu Shōtotsu Media Kennen’ (Prime Minister’s Remarks Concerning Inadvertent Sino-Japanese Clash Attracts Western Media Interest), *Asahi Shimbun*, January 25, 2014, <http://digital.asahi.com/articles/DA3S10943750.html>.

effectively threaten Japan's core security interests.<sup>93</sup> Japan in the face of China's new military capabilities, coupled with expanded Chinese territorial ambitions beyond just Taiwan, now feels a new proximity for itself standing on the military frontline against China.<sup>94</sup>

Japanese analysts argue the PLA is procuring capabilities that serve immediate asymmetric warfare ends of anti-access, area denial (A2/AD) in the sea and airspace surrounding China, and is attempting through a campaign of constant military and psychological intimidation to wrest away from Japan *de facto* control of disputed islands and maritime space.<sup>95</sup> In turn, Japanese policy-makers fear that longer term

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<sup>93</sup> Advisory groups to the prime minister for the formulation of the National Defense Program Guidelines (NDPG) and NSS have consistently expressed such concerns, see Anzen Hoshō to Bōeiryoku ni Kansuru Kondankai, *Anzen Hoshō to Bōeiryoku ni Kansuru Kondankai Hōkokushō (Council on Security and Defense Capability Report)*, August, 2009, <http://www.kantei.go.jp/jp/singi/ampoboue2/200908houkoku.pdf>, p. 12; Aratana Jidai no Anzen Hoshō to Bōeiryoku ni Kansuru Kondankai, *Aratana Jidai ni Okeru Nihon no Anzen Hoshō to Bōeiryoku no Shōrai Kōsō 'Heiwa Sōzō Kokka' o Mezashite (Joint Vision for Future Security and Defense Capabilities in the New Era: Toward a Peace Creating Nation)*, August, 2010, <https://www.kantei.go.jp/jp/singi/shin-ampoboue2010/houkokusyo.pdf> p. 8; Cabinet Office Japan, *National Security Strategy*, p. 12.

<sup>94</sup> Richard C. Bush, *The Perils of Proximity: China-Japan Security Relations* (Washington D.C.: Brookings Institution Press, 2010), pp. 63-86.

<sup>95</sup> Bōeishō, *Nihon Bōei Hakusho 2014 (Defense of Japan White Paper 2014)* (Tokyo, Zaimushō Insatsukyoku, 2014), pp. 33, 45. Kawamura Sumihiko, 'Tōsho Bōei no Shomondai' (Multiple Defense Issues), in Yachi Shōtarō, ed., *Nihon no Anzen Hoshō to Bōei Seisaku (Japan's Security and Defense Policy)* (Tokyo: Wedge, 2013), pp. 97-120; Thomas J. Christensen, 'Posing Problems Without Catching Up: China's Rise and Challenges for U.S. Security Policy', *International Security*, Vol. 25, No. 4, 2001, pp. 5-40.

China's military build-up is designed for the more symmetric warfare ends of penetrating offensively air, sea and land defenses locally; "area control" over the "first island chain"; the neutralization of the Japanese and U.S. naval presence; and to project military force on a par with other great powers in the Asia-Pacific and beyond.

The Japan Air Self Defense Force (ASDF) has long been accustomed to maintaining qualitative superiority among the region's powers, but the People's Liberation Army Air Force (PLAAF) has begun for the first time to pose air defense challenges for Japan. The PLAAF's introduction of fourth generation fighters since the late 1990s in the shape of the J-10, J-11B, Su-27, Su-30MKK, and Su-30MK2, and then the fact that the proportion of inventory of these fighters has risen to around one third by 2014, has now raised concerns that the ASDF's ageing fleet of F4-Js and F-15Js may be rapidly losing its edge in air superiority.<sup>96</sup> PLA Second Artillery Corps' ballistic missile forces, in the shape of DF-15/CSS-6 and DF-3/CSS-2 intermediate range ballistic missiles (IRBM), although clearly directed primarily at Taiwan rather than Japan, pose concerns in that they are capable of striking JSDF and U.S. Air Force (USAF), U.S. Navy (USN) and U.S. Marine Corps (USMC) forces stationed in Japan itself.

MSDF concerns toward China revolve around its modernization of a range of anti-access and blue water maritime capabilities. The PLAN's introduction of the *Kilo*, *Yuan* and *Song*-class diesel-powered and *Shang*-class nuclear-powered submarines with

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<sup>96</sup> U.S. China Economic and Security Review Commission, *2014 Report to Congress of the U.S.-China Economic and Security Review Commission*, 113th Congress, 2nd session, Washington, D.C.: U.S. Government Printing Office, 2014, p. 309, [http://origin.www.uscc.gov/sites/default/files/annual\\_reports/Complete%20Report.PDF](http://origin.www.uscc.gov/sites/default/files/annual_reports/Complete%20Report.PDF).

quieting technologies complicate the MSDF's traditional defensive role in keeping the seas around Japan free from enemy submarines for the U.S. Seventh Fleet to concentrate on the effective projection of offensive power. The PLAN's *Luyang*-class and *Luzhou*-class guided missile destroyers with a fleet air defense role, combined with *Sovremenny*-class "anti-ship destroyers" capable of targeting U.S. aircraft carriers, and the introduction of *Jiangkai*-class guided missile frigates with "stealth" characteristics, demonstrate China's potential to deploy modern fleet formations and to seriously complicate Japanese and U.S. naval dominance in the region.

[China's pursuit](#) of aircraft carriers through the refit of the ex-Soviet *Varyag* as its new *Liaoning* carrier commissioned in 2012, and speculation in 2015 that it is laying down the hull for a second indigenous produced carrier, has generated intense interest in Japan; for while it is recognized that Chinese carriers are likely to lag far behind those of the U.S. in capability, it is nevertheless taken as yet another sign of a determination to pursue offensive power projection and to challenge the U.S.'s effective monopoly in this area. An additional concern for Japanese planners is China's upgrading of its amphibious warfare capabilities with *Yuzhao*-class landing ships, which might form part of a plan to seize Japanese southern islands in a contingency.

Japanese concerns over the PLA's potential to surpass the JSDF's internal balancing capabilities are exacerbated even further by the increasing Chinese challenge to the U.S. role as an external balancer. Japanese policy-makers for the first time in the post-war period have begun to entertain serious doubts over whether the U.S. possesses the necessary military power to counter Chinese probing and access-denial strategies that most directly impact on Japan's security in regard to territorial disputes and SLOC

security. China's A2/AD strategy is feared to impose costs on the U.S. military that might prevent it from the type of intervention in regional contingencies as practiced in the 1995-96 Taiwan Straits crisis. China's ability to strike USAF Kadena in Okinawa, or USAF, USN and USMC assets at Iwakuni, Misawa and Yokota in Honshū, is seen to risk incapacitating U.S. forces in the event of a crisis.<sup>97</sup>

Even more worrying for Japan long-term is China's development of anti-ship ballistic missiles (ASBM) capable of striking U.S. aircraft carriers operating out of Japan and in the Asia-Pacific and which might severely undermine the U.S. force projection and deterrent posture in the region.<sup>98</sup> Japanese policy-makers hold out considerable hope for the U.S.'s Air-Sea Battle Concept to overcome China's A2/AD, but are concerned as to whether the U.S. is as yet deploying the full range of naval and air capabilities necessary to effect what is as yet a not entirely clear strategy, and whether it also has sufficient budgetary capacity to really pivot its military might to the Asia-Pacific to counter China's rising power.<sup>99</sup>

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<sup>97</sup> David A. Shlapak, 'The Red Rockets' Glare: Implications of Improvements in PRC Air and Missile Strike Capabilities', in Roger Cliff, Philip Saunders, and Scott Harald, eds., *New Opportunities and Challenges for Taiwan's Security* (Santa Monica, California: RAND Corporation, 2011), p. 75.

<sup>98</sup> Bōeishōhen, *Bōei Hakusho 2011 (Defense of Japan White Paper 2011)* (Tokyo: Zaimushō Insatsukyoku, 2011), p. 81.

<sup>99</sup> Yoichi Kato, 'Japan's Response to New US Defense Strategy: "Welcome But..."', PacNet, No. 17, Honolulu: Pacific Forum CSIS, March 15, 2012, <http://csis.org/files/publication/Pac1217.pdf>; Michael McDevitt, 'The Evolving Maritime Security Environment in East Asia: Implications for the US-Japan Alliance', PacNet, No. 33, Honolulu: Pacific Forum CSIS, March 31, 2012,



Japanese anxieties over the sufficiency of the U.S.'s extant military capabilities to control the "global commons" and enable intervention in the East Asia theatre have in turn raised questions about the impact on broader U.S. political and military security guarantees for Japan.<sup>100</sup> Japanese policy-makers now fear the raised prospect of U.S. abandonment in a situation of strategic accommodation between the U.S. and China, and if Japan's security interests are deemed by the U.S. to fall short of the necessary threshold for convergence with its own core interests and to warrant the mobilization of its forces in defense of Japan. This risk is seen as especially likely if the cost is constantly rising of the deployment of U.S. forces in the face of Chinese A2/AD strategies. The lingering suspicion of some Japanese analysts is that the defense of the Senkaku/Diaoyu Islands, even though included under the scope of Article 5 of the bilateral security treaty due to their being under Japanese administration and drawing renewed reassurances from the U.S. since 2010, could be just such an issue where the U.S. would be reluctant to intervene on Japan's behalf for fear of putting the entire Sino-U.S. relationship at risk; and especially if China were to seize the islands first and the prospect was of the U.S. and Japan attempting to recover the territories from China in a full-scale conflict rather than just initial deterrence of aggression.<sup>101</sup>

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<http://csis.org/publication/pacnet-33-evolving-maritime-security-environment-east-asia-implications-us-japan-alliance>.

<sup>100</sup> For an excellent analysis of the U.S.'s increasingly hard-pressed capabilities to intervene in regional contingencies in East Asia, see Eric Heginbotham, ed., *The U.S.-China Military Scorecard: Forces, Geography, and the Evolving Balance of Power 1996-2017* (Santa Monica, California: Rand Corporation, 2015), pp. 323-342.

<sup>101</sup> Magosaki Ukeru, 'Nichibei Dōmei o Zettai Shisubekarazu: Beigun ga Nihon o Mamoru to Kagiranai Riyū' (*The U.S.-Japan Alliance Cannot be Relied On: The Reasons for the U.S. Military's Limited*

Hence, even though President Obama on the occasion of his press conference with Abe during his state visit to Japan in April 2014 reiterated that Article 5 of the security treaty extended to include the Senkaku/Diaoyu Islands as under Japanese administration, thus becoming the first U.S. president to state this position publicly, he simultaneously tempered this with the statement that the U.S. was offering no new security pledges to Japan, that it was important as well for the U.S. to maintain good relations with China, and that the U.S. looked to Japan and China to reach a diplomatic resolution to territorial issues. Moreover, in response to a reporter's question immediately following concerning the credibility of U.S. security guarantees to Japan when set against the background of U.S. inability to prevent Russia's effective territorial annexation of the Ukraine, Obama noted that there should be no automatic expectation for the U.S. to intervene militarily in such disputes and it instead preferred to utilize diplomatic approaches.<sup>102</sup> Japanese policy-makers whilst thus drawing some reassurance from the president's statements, could also infer a strong continued risk of abandonment.

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*Defense of Japan*), in Bungei Shunjuhen, ed., *Nihon no Ronten 2012 (Japan's Debating Points 2012)* (Tokyo: Bungei Shunju, 2012, pp. 120–123; Magosaki Ukeru, *Fuyūkai no Genjitsu: Chūgoku no Taikokuka, Beikoku no Senryaku Tenkan (The Uncomfortable Truth: China's Rise to Great Power, The U.S.'s Strategic Change)* (Tokyo, Kōdansha Gendai Shinsho, 2012), pp. 130-134.

<sup>102</sup> Office of the Press Secretary White House, 'Joint Press Conference with President Obama and Prime Minister Abe of Japan', April 24, 2014, <http://www.whitehouse.gov/the-press-office/2014/04/24/joint-press-conference-president-obama-and-prime-minister-abe-japan>.

## **Japan Shifts from Hedging to Incipient Balancing**

Japan's eroding confidence in the benign intentions of China and the offense-defense capabilities balance now approximates very much to the logic and conditions contained within Defensive Realism and Liberalism that would explain states' potential shift from hedging and toward more assertive balancing in international strategy. The evidence from Japan's recent international behavior validates this logic as it has indeed moved toward "soft" and incipient "hard" balancing vis-à-vis China.

### *"Soft" Containment and Balancing*

Japanese "soft balancing" with regard to China can be seen in newly vigorous campaigns of diplomacy that seek to complicate and where possible check growing Chinese influence in East Asia and other regions. Under the leadership of the Revisionists, Japan has attempted to augment its international reputation, often in deliberate contradistinction to China, so as to hinder its rival's potential hegemonic rise. Abe and Asō in their various periods in office have sought to articulate a new "values-oriented diplomacy", stressing Japan's internationalism and promotion of democracy, liberal market economy, human rights and rule of law, in implicit contrast to the authoritarianism of China. Abe during his first administration enunciated the concept of the "Arc of Freedom and Prosperity" stretching from Northeast Asia through Southeast Asia, Central Asia, the Caucasus, Central Europe and the Baltic states, and given alleged cohesion by the promotion of "universal values" among these states.<sup>103</sup> In his campaign to recover the LDP leadership and premiership in 2012, Abe then switched to a similar concept of a "Democratic Security Diamond", including Japan,

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<sup>103</sup> Christopher W. Hughes, 'Japan's Response to China's Rise: Regional Engagement, Global Containment, Dangers of Collision', *International Affairs*, Vol. 85, No. 4, 2008, pp. 837-854.

the U.S., Australia and India, and again set up in apparent opposition to China's refusal to abide by international conventions and norms in its behavior.<sup>104</sup>

Abe in his latest stint in office has backed up these types of values-oriented concepts with diplomatic visits to states on the periphery of China, many of which share some common cause with Japan in their anxiety over China's rise and its territorial intentions. By the end of his first year in office, Abe had visited all ten of the ASEAN states. Abe's visit to Myanmar in May 2013 was the first by a Japanese prime minister for thirty-six years to this strategically important country previously closer to China in diplomatic orientation, and Japan and Myanmar have pledged enhanced security dialogue and defense exchanges. In all these visits, Abe again asserted a series of shared values and hopes for enhanced cooperation that were set up in implicit opposition to China's rising presence in the region. Abe has reinforced security cooperation with economic assistance: Japan pledging close to US\$20 billion in ODA to ASEAN states at the Japan-ASEAN Commemorative Summit in Tokyo in December 2013. In addition, to counter China's AIIB proposal, Abe announced in May 2015 U.S.\$110 billion in aid for Asian infrastructure project via the ADB and the Japan Bank for International Cooperation, with the disbursement of this aid made quicker with a one-year instead of three-year turnaround on decision-making.<sup>105</sup>

Japanese leaders have sought, in particular, to join with ASEAN states in emphasizing the importance of international norms and laws covering the freedom of maritime

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<sup>104</sup> Abe, 'Asia's Democratic Security Diamond'.

<sup>105</sup> Anthony Fensom, 'Japan Ups the Ante on AIIB', *The Diplomat*, May 23, 2015, <http://thediplomat.com/2015/05/japan-ups-ante-on-aiib/>.

navigation and handling of territorial disputes in the South China Sea and beyond.<sup>106</sup> Japan has supported ASEAN states bilaterally and collectively in calling for all states to adhere to UNCLOS and the Declaration on the Conduct of Parties in the South China Sea, so attempting to create a unified legal front to counter China's so-called campaign of "law-fare" in the region and to attempt to isolate it over the ADIZ declaration. Japan has agreed to further develop "strategic partnerships" with Vietnam, Thailand and Indonesia and to strengthen dialogue on security issues. Japan, Malaysia, Vietnam, and The Philippines have focused especially on maritime security cooperation in the South China Sea, with Japan agreeing to provide ten patrol boats to the Philippines coast guard and to survey their provision to Vietnam.<sup>107</sup>

Japan demonstrated its potential maritime presence in the South China Sea with its dispatch of over 1,000 JSDF personnel and three MSDF vessels for relief operations around the Leyte Gulf following the Haiyan cyclone disaster in the Philippines in 2013. President Benigno Aquino on visiting Japan in June 2015 also claimed his government would initiate talks with Japan on a Visiting Forces Agreement to allow the JSDF to use bases in the Philippines.<sup>108</sup> In November 2015, during the U.S.-Japan summit at the Philippines APEC, Abe expressed support for U.S. Freedom of Navigation (FON)

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<sup>106</sup> Shinzō Abe, 'The Bounty of the Open Seas: Five New Principles for Japanese diplomacy', Jakarta, January 18, 2013, [http://www.mofa.go.jp/announce/pm/abe/abe\\_0118e.html](http://www.mofa.go.jp/announce/pm/abe/abe_0118e.html).

<sup>107</sup> Corey J. Wallace, 'Japan's Strategic Pivot South: Diversifying the Dual Hedge', *International Relations of the Asia-Pacific*, Vol. 13, No. 3, 2013, pp. 488-495; Paul Midford, 'Japan's Approach to Maritime Security in the South China Sea', *Asian Survey*, Vol. 55, No. 3, 2015, pp. 541-542.

<sup>108</sup> "Philippines Wants Defense Pact for Japanese Troops", *Asahi Shimbun*, June 5, 2015, [http://ajw.asahi.com/article/behind\\_news/politics/AJ201506050092](http://ajw.asahi.com/article/behind_news/politics/AJ201506050092).

operations and even mused that as the South China Sea, “influenced Japan’s own security continued attention would be devoted to it and investigation of JSDF activities”, so hinting that Japan could join FON in line with interpretations of collective self-defense.<sup>109</sup>

Japan in recent years has furthermore pursued a new round of resource and energy diplomacy to counter China’s rising influence in these areas, and especially to obviate its dependency on the rare earth supplies that China threatened to embargo in 2010. Abe remarked in 2012 that, “India’s government has shown its political savvy by forging an agreement to provide Japan with rare earth materials—a vital component in many manufacturing processes—after China chose to use its supplies of rare earths as a diplomatic stick”.<sup>110</sup> Japan has attempted to reengage with the resource-rich Central Asian republics often thought to form China’s “backyard” through the Shanghai Cooperation Organization process. Prime Minister Hashimoto Ryūtarō’s 1988 Silk Road Action Plan first led to Japan becoming the largest ODA donor to the region. Foreign Minister Kawaguchi Yuriko made the first visit by a high-ranking Japanese minister to Central Asia in 2004; Koizumi then visited the region in 2006, and METI minister Amari Akira in April 2007. Abe visited Turkmenistan, Tajikistan, Kyrgyzstan, Uzbekistan, and Kazakhstan in October 2015, becoming the first Japanese prime minister to visit all five central Asian republics, pledging close to ¥26 billion in grants and loans for state-building and democracy consolidation, and for developing gas and

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<sup>109</sup> ‘Minamishinakai de Katsudō, Kentō: Shushō “Jōsei o Chūshi Suru”’ (Investigation, Activities in the South China Sea: The Prime Minister ‘Will Consider Intently the Situation’), *Asahi Shimbun*, November 20, 2015, p. 3.

<sup>110</sup> Abe, ‘Asia’s Democratic Security Diamond’.

nuclear energy in the region. Abe's visits to Mongolia in 2013 and 2015 were similarly aimed to improve resource supplies for Japan. Overall, Japan in recent years has been attempting to demonstrate a presence in Central Asia that means China cannot monopolize the region through its own Silk Road plans.

In the Middle East, Japan has looked to counter China's potential hold on energy resources through forging closer bilateral ties. Abe paid a visit to Saudi Arabia, the United Arab Emirates (UAE), Kuwait, Qatar and Egypt in April 2007: the first by a Japanese premier to Saudi Arabia for four years, the first to the UAE and Qatar for twenty nine years, and the first ever to Kuwait. Abe sought to gain promises from these states of continued stability in oil and gas supplies. In addition, since 2006 Japan has launched Economic Partnership Agreement (EPA) negotiations with the Gulf Cooperation Council (GCC). Abe after returning to power paid visits to all the GCC states in just over one year (Saudi Arabia and the UAE in May, Bahrain, Kuwait and Qatar in August 2013, and to Oman in January 2014), again looking for economic and energy cooperation deals.

Meanwhile, China's growing influence in Africa has led to a corresponding resurgence of Japanese interest. Japan has pledged since 2008 a doubling by 2012 of ODA to African states via the Tokyo International Conference on African Development (TICAD) process. Japan has reinvigorated TICAD as a counter to the China-Africa Summit and has elaborated a concept of development that provides a supposed middle way between the West's emphasis on economic conditionality and governance reform and China's authoritarianism and mercantilist search for resources. Abe paid visits to Cote d'Ivoire, Mozambique, and Ethiopia in January 2014, the first by a Japanese prime

minister to Africa since 2006, and to a select group of states with potential energy resources and considerable political influence on the African continent. In addition, since 2012 the JSDF has maintained a small peacekeeping operation (PKO) commitment in South Sudan, which it may look to increase in size and scope following the passage of the 2015 new security legislation, and in part to attempt a Japanese presence to match China's burgeoning PKO role and influence in this resource-rich new state.

Finally, Japan has sought to counter China's rising influence across the East Asia region through its support for the U.S.'s leadership of the Trans-Pacific Partnership (TPP) agreement, in large part in opposition to China's perceived favored project of regional integration in the shape of the Regional Comprehensive Economic Partnership (RCEP) that excludes the U.S.. Japanese leaders see benefit in TPP as helping to create a U.S. and Japanese-oriented set of economic rules that reinforce liberal values among the regional participants. Abe in his address to a joint meeting of the U.S. Congress in April 2015 remarked in regarding the TPP that, "Involving countries in Asia-Pacific whose backgrounds vary, the U.S. and Japan must take the lead. We must take the lead to build a market that is fair, dynamic, sustainable, and is also free from the arbitrary intentions of any nation," and so referred to the need to counter China via the TPP without explicitly naming it.<sup>111</sup>

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<sup>111</sup> Ministry of Foreign Affairs Japan, 'Address by Prime Minister Shinzo Abe to a Joint Meeting of the U.S. Congress: "Toward an Alliance of Hope"', April 29, 2015, [http://www.mofa.go.jp/na/na1/us/page4e\\_000241.html](http://www.mofa.go.jp/na/na1/us/page4e_000241.html).



Japan's "soft-balancing" of China—often dubbed an "encirclement" or "siege" strategy by the Japanese media—has achieved some benefits in impeding Chinese influence, but the pay-offs have been limited.<sup>112</sup> Japanese "values-oriented" diplomacy has often failed to convince or gain much influence given Japan's own history of colonial expansion and its tendency in the past for tolerating authoritarian regimes in the name of economic development. Prime Minister Fukuda quietly dropped the concept of the Arc of Freedom and Prosperity after succeeding Abe, and the DPJ proved reluctant to play on the concept of values-oriented diplomacy. The maritime ASEAN states are clearly receptive to Japanese engagement on the South China Sea, but they remain wary of alienating China and have no intention to become pawns in a wider Japan-China power struggle in the region. For instance, it was notable that in the Joint Statement of the Japan-ASEAN Commemorative Summit there was no explicit condemnation of China's ADIZ; and at the ASEAN Defense Ministers Meeting in November 2015 the ASEAN representatives, facing contending pressures from Japan and the U.S. on one side and China on the other, failed to produce stressing concerns about China's activities in the South China Sea.<sup>113</sup>

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<sup>112</sup> 'Abe, Asō Ryōshi "Chūgoku Hōiami" Ninin Sankyaku Shūhen Gaikokyū' (Abe, Asō, Both Depart on Foreign Trips in Three-Legged Race for 'China's Encirclement') *Asahi Shimbun*, May 3, 2013, <http://digital.asahi.com/articles/TKY201305030003.html>.

<sup>113</sup> 'Ministry of Foreign Affairs Japan, 'Joint Statement of the ASEAN-Japan Commemorative Summit: "Hand in Hand Facing Regional and Global Challenges', December 14, 2013, <http://www.mofa.go.jp/files/000022451.pdf>.

*Japan's Hard Military Balancing and a Sino-Japanese Arms Race?*

Japan's sense that its attempts at "soft containment" have only limited traction on slowing the rise of the Chinese juggernaut has thus meant that it has had to consider more robust "hard balancing" options both internally and externally. Japanese Revisionists' initiation of various processes to clear the decks domestically for the exercise of military power is one indication of a new potential for balancing behavior.

Japan under Abe introduced for the first time in 2013 an NSS and National Security Council to facilitate faster decision-making amongst key leaders and a more effective military crisis management. In turn, Abe's government in July 2014 issued a Cabinet Decision to enable Japan to breach its post-war ban on the exercise of "limited" collective self-defense, and thus to use armed force in the defense of another state even when Japan itself is not under direct attack. In September 2014, Abe's government then completed the passage through the National Diet of a raft of security-related bills the most prominent of which are: the Law on Response to Contingencies, enabling Japan's exercise of the right of collective self-defense in scenarios where an attack on another state in a close relationship with Japan poses a clear danger to overturning the Japanese people's right to life, liberty and the pursuit of happiness, where there is no other appropriate means to repel the attack, and where the use of force is restricted to the minimum necessary to repel the attack; the Law to Ensure Security in Contingencies Significantly Affecting Japan, replacing the 1999 Regional Contingencies Law and designed to boost Japanese non-combat logistical support for the U.S. and now other states regionally and even globally; the International Peace Support Law, removing the need for Japan to enact separate laws for each JSDF dispatch in order to provide logistical support to multinational forces; and revisions to the International Peace

Cooperation Law, enabling the JSDF during UN PKO to use force in pursuing certain duties rather than solely for the defense of JSDF personnel.

The move to exercise the right of collective self-defence clearly marks a major development in Japan's overturning of its post-war security course and augmenting its ability to respond militarily to the rise of China. The LDP and New Kōmeitō presented a number of scenarios for justification of the security legislation and that formed the subject of National Diet deliberations, and that were envisaged to enhance U.S.-Japan cooperation and deterrence versus North Korea and China, including: the protection of U.S. ships carrying Japanese nationals; defending U.S. warships under attack close to Japan; defending the U.S. military against ballistic missile attacks; forceful interdiction of shipping; and protecting critical sea lanes; and "grey zone" contingencies around Japan's far flung islands.

In regard to military doctrines and capabilities, there has been a similar attempt to upgrade Japan's ability to implement an incipient balancing strategy driven by China's rise. Japan's National Defense Program Guidelines (NDPG) set out the national doctrine and the necessary military capabilities for its achievement. The 1995 NDPG omitted any direct reference to China, but the revised 2004 NDPG noted China's modernization of its nuclear and ballistic missile forces and increasing ambitions for out-of-area operations, and that Japan should "remain attentive to its future actions".<sup>114</sup>

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<sup>114</sup> 'Heisei 8 Nendo Ikō ni Kakawaru Bōei Keikaku no Taikō' (National Defense Program Outline 1995 Fiscal Year), Tokyo, November 28, 1995, [http://www.mod.go.jp/j/approach/agenda/guideline/1996\\_taikou/dp96j.html](http://www.mod.go.jp/j/approach/agenda/guideline/1996_taikou/dp96j.html); 'Heisei 17 Nendo Ikō ni

The NDPG then went on to state that the JSDF would increasingly reorient its capabilities to respond to scenarios such as ballistic missile attacks, invasion of Japan's offshore islands, and violations of Japanese sea and air space—all indirect references to China's military activities. The 2010 NDPG stepped up the rhetoric, emphasizing China's rapid military modernization and development of power projection, and stressed that all this was a "concern for the regional and global community"—again Japanese oblique language for China's growth as a significant threat.<sup>115</sup> The revisions of the NDPG in 2013 under Abe reemphasized that China's intensification of its air and maritime activities remained "concerns for regional and global security".<sup>116</sup>

The 2010 NDPG reacted to China's rising threat by indicating a step change in Japanese defense doctrine in that it adopted a new concept of a new Dynamic Defense Force (DDF), characterized by lighter and more technologically advanced forces with power projection capabilities for defending Japan's periphery in regional contingencies rather than the static defense of just Japan itself, and so geared to respond to China's security challenge. In addition, the 2010 NDPG continued the trend of Japan moving its key military assets southwards for the defense of its islands from China's growing maritime power, including the doubling of F-15J squadrons at Naha in Okinawa. The revisions

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Kakawaru Bōei Keikaku no Taikō ni Tsuite', Tokyo (National Defense Program Guidelines 2005 Fiscal Year), December 10, 2004, <http://www.mod.go.jp/j/approach/agenda/guideline/2005/taikou.html>.

<sup>115</sup> 'Heisei 23 nendo ikō ni kakawaru Bōei Keikaku no Taikō ni Tsuite' (National Defense Program Guidelines 2011 Fiscal Year), Tokyo, December 17, 2011, <http://www.mod.go.jp/j/approach/agenda/guideline/2011/taikou.html>.

<sup>116</sup> 'National Defense Program Guidelines for FY2014 and Beyond', Tokyo, December 17, 2014, [http://www.mod.go.jp/j/approach/agenda/guideline/2014/pdf/20131217\\_e.pdf](http://www.mod.go.jp/j/approach/agenda/guideline/2014/pdf/20131217_e.pdf), p. 2.

to the NDPG in 2013 modified the DDF to produce the concept of a Dynamic Joint Defense Force (DJDF), this time emphasizing the need for improved joint operations of the GSDF, MSDF and ASDF.

In terms of the development of specific military capabilities, the 2010 and 2013 NDPGs and their accompanying Midterm Defense Program (MTDP) have largely sought to counter China's modernization with a symmetrical build-up of JSDF assets. The 2013 NDPG was highly notable in designating that the GSDF would for the first time acquire a full amphibious capability for the retaking of remote islands. The force will consist of around 3,000 personnel, equipped with the GSDF's first amphibious armed personnel carriers reaching fifty-two in number, and Japan will further procure seventeen MV-22 *Osprey* transports as used by the USMC.

The ASDF has sought to slow any adverse movement in the balance of air defense power by investing in fifth-generation fighters to trump China's fourth-generation inventory. Japan in December 2011 thus plumped for the procurement of forty-two F-35As. Japan's attachment of importance to the stealth capabilities of the F-35A and its greater associated strengths as an air defense penetration fighter, rather than air superiority fighter, suggests a future interest in developing an offensive counter-air (OCA) doctrine for the ASDF. This type of Japanese capability might be used to strike against the Chinese mainland and missile launch sites in a contingency and so mark a radical departure in Japan's defense-oriented posture. The ASDF is furthermore now set on the path to procure *Global Hawk* Unmanned Aerial Vehicles (UAV) to help patrol Japan's air space, long coastline and distant islands.

Japan's reaction to China's missile forces has again been largely symmetric in attempting to neutralize these capabilities through the deployment of BMD. The 2010 and 2013 NDPGs mandate the ASDF to maintain six anti-aircraft groups equipped with PAC-3 batteries, and the MSDF eight Aegis destroyers equipped with BMD SM-3 interceptors. The JSDF now deploys after the U.S. the most sophisticated BMD capabilities in the Asia-Pacific, thus attempting deterrence by denial of China's ballistic missile threat, backed up by the F-15J and then the F-35A in the future for countering cruise missiles.<sup>117</sup>

Matching Japan's recent primary concerns over China relating to maritime security, it is the MSDF which has embarked on the most significant build-up of capabilities under the 2010 and previous NDPGs, many of which are designed to negate both the PLAN's access-denial and blue water naval strategies. The MSDF under the 2010 NDPG and MTDP was provided an increase in its submarine fleet by more than one third from fifteen to twenty-two boats, including the introduction of the *Sōryū*-class submarine platform that provides leading-edge technologies in air-independent and fuel-cell propulsion and operation. The destroyer force in the 2010 NDPG and MTDP was to be maintained at forty-eight in number, but was subsequently increased in the 2013 NDPG and MTDP to fifty-four in number. Japan as part of this maritime build-up continues to introduce Destroyer-Helicopter warships (DDH). The MSDF has taken delivery of two 7,000 ton *Hyūga*-class 16DDHs, with a regular complement of four helicopters but capable of carrying up to eleven; and has now procured a further two 19,000 ton *Izumo*-class 22DDs, capable of carrying up to fourteen helicopters, launched in August 2013

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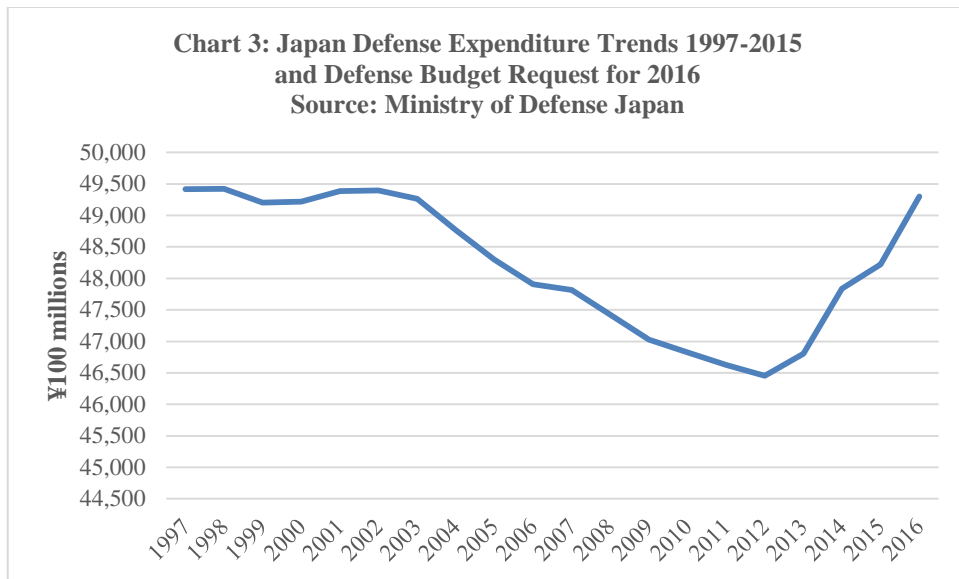
<sup>117</sup> Bōeishō Bōeikenkyūsho, *Higashi Ajia Senryaku Gainen 2012 (East Asia Strategic Review 2012)* (Tokyo: Zaimushō Insatsukyoku, 2012), p. 240.

and August 2015. MSDF DDHs are the largest vessels built for the service in the post-war period and are in all but name light helicopter carriers. The prime function of these assets is to provide a very powerful anti-submarine warfare (ASW) capability, clearly aimed against China's access-denial strategy. But Japan's venturing back into carrier technology is resonant of a possible Sino-Japanese carrier arms race, and the suspicion of analysts is that the MSDF might eventually attempt to operate fixed-wing aircraft from the DDH-22s, such as the maritime variant of the F-35. Japan's maritime air and ASW capability is to be further strengthened through the procurement of a replacement for its P-3Cs with the introduction of an indigenously developed P-1 patrol surveillance aircraft able to sweep over an 8,000 kilometer range and thus deep into the South China Sea.

Japan under Abe also appears resolved to more fully fund Japan's build-up of national military capabilities. Shortly after taking power, Abe initiated the first, if modest, rise in Japanese defense spending in over a decade. The JMOD's defense expenditure has increased at rates of one to two percent over the last three years, and it has requested another 2.2 per cent rise for 2015-16 that would mark the largest defense budget in the post-war period.<sup>118</sup> Japanese policy-makers have argued these increases in defense budget are still modest when viewed in the context of stagnating budgets for close to two decades and the rapid rise in China's military expenditure. But the desire for Japan to raise defense spending is clearly driven by a growing impulse to balance China militarily (Chart 3).

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<sup>118</sup> Bōeishō, 'Waga Kuni no Bōei to Yosan: Heisei 28nendo Gaisan Yōkyū no Gaiyō' (National Defense and Budget: Outline of Request for 2016), August 2015, <http://www.mod.go.jp/j/yosan/2016/gaisan.pdf>.



### *U.S.-Japan Alliance and other Partners for Balancing*

Japan's military modernization program has certainly enhanced its ability to internally balance China, but at the same time it has redoubled its efforts to strengthen external balancing alongside the U.S. and to obviate any risks of abandonment. Although U.S.-Japan alliance relations under the DPJ initially suffered some tensions with the Hatoyama administration's decision to withdraw the MSDF from refueling operations to support the international coalition's efforts in Afghanistan, and its reconsideration of and then relenting on plans for the relocation of the USMC Futenma Air Station within Okinawa Prefecture, in fact the DPJ continued to strengthen the long-term military foundations of the alliance.

[In regard](#) to BMD, perhaps the most important long-term driver of U.S.-Japan military integration, cooperation under the DPJ rolled forward. Japan and the U.S. continued with the joint development of the SM-3 Block IIA interceptor missile, and agreed in June 2011 that Japan would make an exemption in arms export ban to permit the export



of the missile to third countries.<sup>119</sup> In April 2012, Japan and the US completed plans for collocation of the ASDF Air Defense Command with that of the USAF at Yokota air base, near Tokyo, so as to improve information sharing in response to missile attacks.<sup>120</sup>

The 2010 NDPG was devised with close linkages to the U.S.'s own Quadrennial Defense Review (QDR) that year, and coincided in general with the U.S.'s "rebalance" toward the Asia-Pacific announced in January 2011. The DPJ actually overtook previous LDP administrations by updating in the 2011 Security Consultative Committee (the main policy coordinating mechanism of the alliance) the 2005 and 2007 "Common Strategic Objectives" of the bilateral alliance to include functions such as enhanced intelligence, surveillance and reconnaissance (ISR), maritime security, and cyber security, and so laying the groundwork for the later revision of the U.S.-Japan Guidelines for Defense Cooperation under the Abe administration in 2015.<sup>121</sup> U.S.-Japan alliance interoperability was then tested and strengthened in the wake of the 3.11 disasters.<sup>122</sup> The U.S. launched *Operation Tomodachi* to support the JSDF's own mobilization of 100,000 troops for disaster relief by utilizing the full panoply of its

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<sup>119</sup> 'Joint statement of the Security Consultative Committee: Toward a Deeper and Broader Alliance Building on Fifty Years of Partnership', June 21, 2011, [http://www.mofa.go.jp/region/n-america/us/security/pdfs/joint1106\\_01.pdf](http://www.mofa.go.jp/region/n-america/us/security/pdfs/joint1106_01.pdf), p. 9.

<sup>120</sup> 'ASDF Command Now at Yokota', *The Japan Times Online*, March 27, 2012, <http://www.japantimes.co.jp/text/nn20120327a2.html>.

<sup>121</sup> Bōei Kenkyūsho, *Higashi Ajia Senryaku Gaiyō 2012*, pp. 224-225; Department of Defense, *Sustaining US Global Leadership: Priorities for the Twenty First Century*, January 2012, [http://www.defense.gov/news/Defense\\_Strategic\\_Guidance.pdf](http://www.defense.gov/news/Defense_Strategic_Guidance.pdf), p. 2.

<sup>122</sup> Richard J. Samuels, *3.11: Disaster and Change in Japan* (Ithaca, New York: Cornell University Press, 2013).

military assets in Japan itself and the Pacific, including twenty USN vessels, 140 aircraft, and 20,000 USMC personnel.

The return of the LDP to power in 2012 has opened the way for further initiatives to strengthen the US-Japan alliance. The Abe administration's revised 2013 NDPG was clearly geared to strengthening security cooperation with the U.S. The next stage in reinforcing the alliance has been the April 2015 revision of the U.S.-Japan Defense Guidelines in April 2015, the first such revision since 1997. The 2015 Defense Guidelines revisions expand the range of Japanese support for the U.S. in contingencies to include: ISR; BMD; maritime security; asset protection; joint use of facilities; PKO; humanitarian assistance and disaster relief; and defense activities in cyber space and outer space. The revised Guidelines stress a concept of "seamless cooperation" and a "whole of government approach", removing the previous rigid separation of bilateral cooperation into "peacetime", "Japan" and "regional" contingencies. The intention is that military cooperation will operate more smoothly across all potential scenarios and levels of conflict escalation.

Moreover, the revised Defense Guidelines emphasize that bilateral cooperation should now be global, and not necessarily be restricted geographically, as in past formulations, to Japan itself or the surrounding region. Even more significantly, and designed to interlink with Japan's breach of the ban on the exercise of collective self-defense in July 2014, the revised Defense Guidelines outline the areas where the JSDF can now exercise force to defend U.S. forces, such as the protection of U.S. shipping, interdiction of other shipping, BMD, and providing logistical support during

conflicts.<sup>123</sup> Japan has then followed up the revised Defense Guidelines with its new security legislation in the same year to create the framework for the exercise of collective self-defense, comprising the Law on Response to Contingencies and the Law to Ensure Security in Contingencies Significantly Affecting Japan, replacing the 1999 Regional Contingencies Law.

In addition, Japan has expanded the scope of its military cooperation, in conjunction with U.S. regional security strategy, to begin to incorporate a wider range of U.S. allies and partners to support its incipient balancing strategy. Japan and Australia security ties have advanced relatively steadily since the “Joint Declaration on Security” in 2003, and the DPJ administration concluded an Acquisition and Cross Servicing Agreement (ACSA) with Australia in 2010 for the sharing of military logistical support in peacetime and UN operations. Modeled on Japan’s ACSA with the U.S. signed in 1996 and revised in 1999, it clearly provides a template compatible for possible trilateral logistical cooperation among Japan, the U.S., and Australia in the future. Japan and Australia signed an Information Security Agreement in May 2012, again modeled on that between Japan and the U.S. and thus serving to further enhance potential for trilateral cooperation; and in April 2014 both sides concluded a new EPA and pledged further cooperation on cyber-security and defense technology exchanges.<sup>124</sup> The NSC in April 2015, in line with the new Three Principles on the Transfer of Defense Technology and Equipment, approved Japan’s participation in the competitive tender

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<sup>123</sup> Ministry of Foreign Affairs Japan, ‘The Guidelines for Japan-US Defense Cooperation’, April 27, 2015, <http://www.mofa.go.jp/mofaj/files/000078188.pdf>.

<sup>124</sup> Ministry of Foreign Affairs Japan, ‘Joint Press Release on Japan-Australia Summit Meeting’, April 7, 2014, <http://www.mofa.go.jp/files/000034801.pdf>.

to provide new submarines for Australia. Mitsubishi Heavy Industries and Kawasaki Shipbuilding Ltd. are seeking to export technology from its *Sōryū*-class attack submarines.

In comparison with Australia, Japanese security ties with India have proceeded more slowly since the initial “Joint Declaration on Security and Cooperation” in 2008. The DPJ administration did, though, step up cooperation with this emerging U.S. partner: conducting the first ever foreign ministry director-level security talks trilaterally with the U.S. and India in December 2011, and reaching an agreement to hold joint naval maritime security exercises in 2012. Similarly, Japan and the DPJ government have been more willing to explore meaningful ties with South Korea as another important U.S. partner. MSDF officers for the first time observed U.S.-South Korea military exercises in July 2010 as a demonstration of trilateral unity in the wake of the *Cheonan* sinking incident. South Korea Navy officers then participated as observers for the first time in U.S.-Japan large-scale military exercises in December, this time following North Korea’s bombardment of Yeonpyeong Island. Japan and South Korea since early 2011 have been considering and in April 2012 were reportedly close to signing an ACSA and General Security of Military Information Agreement (GSOMIA) for the exchange of BMD early warning intelligence. In May 2012 the South Korean government shied away from finally concluding the agreements due to domestic political sensitivities over military cooperation with Japan, further compounded by Abe’s visit to Yasukuni in December 2013; but following North Korea’s nuclear and missile tests in February 2016, Japan and South have resumed discussions of

implementing the agreement.<sup>125</sup> Meanwhile, Japan under the first and second Abe administrations has shown interest in establishing cooperation with NATO, and signed defense cooperation memoranda with the UK and France in 2012 and 2013 for cooperation on defense production and intelligence sharing.

### **Conclusion: Japan's Own Uncertain Strategic Intentions and "Resentful Realism"**

Japan can now be observed as shifting from its past hedging strategy vis-à-vis China toward a strategy that is starting to resemble active soft and incipient hard balancing. The key conditions that in the past ensured Japan could maintain a hedging strategy have begun to deteriorate over the last decade, so initiating this shift. Japanese policy-makers' previous belief in their ability to read China's intentions as benign has increasingly deserted them, as has their confidence in the potential malleability of Chinese intentions through political and economic engagement. Japan's own domestic regime change, characterized by the rise of Revisionism and discontent with the *status quo*, has only reinforced the impulse to avoid "underbalancing". Indeed, the rising domestic consensus in Japan is that China's intentions, if readable at all, are now fundamentally malign toward Japan. Most strikingly, Japanese policy-makers no longer trust that the balance of offense-defense capabilities is in their favor, either internally or externally. China's military modernization is perceived as set to overwhelm the JSDF's own defensive capabilities and to be weakening the U.S.'s ability to police the

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<sup>125</sup> 'Nikkan Bōei Kyōryoku, Sakiokuri: Kankokunai de Shinchōron' (Japan-Korea Defense Cooperation Put Off: Caution Domestically), *Yomiuri Shimbun*, May 19, 2012, <http://www.yomiuri.co.jp/politics/news/20120518-OYT1T01137.htm>; 'Nikkan, Gunji Jōhō Kyōyū e Chōsei: GSOMIA Nihon, Konnenchū Mezasu' (Japan-Korea, Adjusting for Military Information Provision), *Asahi Shimbun*, September 2, 2016, p. 3.

global commons and to restrain China's encroachment of core Japanese security interests.

The overall consequence has indeed been Japan shifting, if incrementally and certainly not letting go entirely of hedging, toward more incipient balancing behavior. Much of this balancing is "soft" in orientation, with efforts to check Chinese influence through strengthening partnerships with other East Asian states around China's periphery equally concerned at the negative externalities of its rise. But there is also a component of seeking to balance China globally through vigorous diplomatic activity and resource deals in Africa and the Middle East.

Meanwhile, Japan's hard balancing has taken the form of the emergence of an emphasis on building up the JSDF defensive capabilities primarily, but also with the beginnings of considering the selective procurement of power projection capabilities that could be turned to collective self-defense and even offensive purposes. Japan has thus found itself in a quiet arms race with China in East Asia evocative of "normal" balancing behavior on a par with that of other states facing a similar external security environment. Alongside these internal efforts, Japan has, of course, redoubled its support for the U.S.-Japan alliance in order to buttress the U.S.'s potential for balancing against China.

Japan's identification as an incipient balancer presents a range of important conclusions to the questions posed at the start of this paper. First, the discussion in this paper and the recent evidence from Japan's behavior is cause for greater reexamination of the quaint consensus amongst Neorealism, Liberalism and Constructivism on the

immobility of Japanese security policy. The very conditions contained with those perspectives, and especially the former two, regarding a state's potential disposition toward hedging, now demand serious review in the case of Japan. This is not to say that these perspectives are fundamentally flawed, but rather that the conclusions and orthodoxy they give rise to are now outmoded because they have not taken sufficient account of new evidence. If this is given proper consideration, then these perspectives have ample ability to point to and explain Japan's initiation of balancing behavior. These perspectives, hence, need to abandon the comfort zone of their past orthodoxy and look again at the dynamism of Japan's security policy if they are to retain their full explanatory utility in regard to Japan now and in the future. In particular, Neorealism can afford to be bolder in asserting its perspective on Japan's remilitarization of security policy rather than readily ceding ground to the dominance of Constructivism and Liberalism.

Second, and even more importantly, Japan's inching toward active balancing of China has very significant implications for East Asian security, although these are not yet entirely clear given the nature of the process of Japan's shift. Japan's move toward balancing is certainly not yet complete, irreversible, or fully revealed and embedded in national grand strategy. As outlined earlier, the Yoshida Doctrine has proved a highly resilient grand strategy in the post-war period and will not be abandoned lightly. The result is that Japan is demonstrating, and is likely to continue to demonstrate, fluctuations between the Yoshida Doctrine and more active balancing behavior. In turn, these fluctuations will be driven by the development of the international and domestic determinants of Japan's strategy as already outlined, which are themselves in a process of volatile change. Japan will be forced to react to variations in the benignity and

malignity of China's intentions, and just as importantly Japanese behavior will be largely determined by the condition of the U.S.-Japan alliance and fears over entrapment and abandonment.

Japan's sense of being caught between a rising China and a U.S. ally that it has been so dependent on but with which its security interests do not always converge, will make for hesitancy in its security stance. Japan's impulse may be to react strongly to perceived Chinese security provocations at times, but will lack assurance in U.S. backing for this behavior. All this will encourage Japan to act more autonomously when necessary. Hence, not only China, but also the U.S., may find Japan a difficult security partner to deal with.

Japanese unpredictability is and will be enhanced by the continuing changes to its domestic regime. The unwinding of the post-war system is not complete, and the struggle between Pragmatists and Revisionists will continue, although with the latter likely to eventually triumph. Japanese dalliance with Revisionism, and the feeling of ideological antagonism it engenders toward China, and even toward the U.S. at times, in the desire to cast off post-war constraints and restore national standing, makes for a Japanese international strategy capable of being highly confrontational.

If an uncertain international security environment is combined with domestic Revisionism, then Japan can be seen as lacking confidence in the basic foundations of its security and to experience a something of a sense of paranoia. The outcome is that as Japan is pushed toward a new "realism" in its international strategy it will not always be the kind of cautious "Reluctant Realism" seeking comfortable alliance with the U.S.



and contributing, as U.S. policy-makers would hope, to a stable balance of power in the Asia-Pacific. But rather at times a type of “Resentful Realism”, driven by fear of China, lack of trust in the U.S., and a desire for a reassertion of national pride and autonomy, may take root in Japan. This type of “Resentful Realism” may generate impulses for more independent national military action by Japan, facilitated by new autonomous capabilities, and will clearly be a difficult quantity for the U.S. to handle, let alone China. In this type of scenario, Japan’s experimentation with active balancing, may not restore equilibrium and stability in the region to match China’s rise but actually become a source of unpredictability and instability.

If this is thought to be a possible outcome of Japan’s shift from hedging to incipient balancing, then a third conclusion becomes apparent. Japan’s impact on regional stability can be mitigated most obviously by China’s moderation of its security policy so as not to cross the Japanese key redlines of territory and SLOC security. The U.S. needs to reassure Japan that it will not be “passed” and its security interests overlooked in any possible strategic accommodation with China. For Japan itself, the lesson is that as it reconsiders the Yoshida Doctrine and Revisionism takes hold, that it must consider just how this process of international strategic and domestic regime change impacts on the very same problem that it has in dealing with China: states’ surety in the reading of the international intentions of others. Japan’s policy-makers thus need to make sure that they are not trapped in the same problem of being unable to signal their intentions and maintaining a sense of benignity that they accuse their Chinese counterparts of lacking. If they fail to do so, then Japan will be labeled a security risk on a par with China, the risk of a Sino-Japanese military clash may rise, and the consequences for the regional security order will be disastrous.